



## DEPARTMENT OF ENERGY

### 10 CFR Part 455

### RIN 1930-AA02

[DOE-HQ-2025-0022]

## Rescinding the Grant Programs for Schools and Hospitals and Buildings Owned by Units of Local Government and Public Care Institutions Regulations

**AGENCY:** Office of State and Community Energy Programs, U. S. Department of Energy.

**ACTION:** Final rule.

**SUMMARY:** The Department of Energy (DOE) publishes a final rule to eliminate the subject regulations due to their non-applicability to operating DOE programs. In 1996, DOE consolidated legacy programs into the State Energy Program and determined all programming would be regulated through a different regulatory framework, leaving the regulations at this part without utility. Now, these regulations are a legacy of an ancestral program and remain in place despite decades without Congress funding the underlying statutory program. This final rule has no impact on stakeholders and further streamlines the State Energy Program by eliminating extraneous and derelict regulations, and does not directly reduce availability of financial assistance.

**DATES:** This rule is effective on [INSERT 30 DAYS AFTER PUBLICATION IN THE *FEDERAL REGISTER*].

**FOR FURTHER INFORMATION CONTACT:** Mr. Michael Li, U.S. Department of Energy, Office of State and Community Energy Programs, 1000 Independence Avenue, SW, Washington, DC 20585; (240) 204-3026 or [michael.li@hq.doe.gov](mailto:michael.li@hq.doe.gov).

**SUPPLEMENTARY INFORMATION:**

## I. General Discussion

On May 16, 2025, the U.S. Department of Energy (DOE) published a proposed rule to rescind the Grant Programs for Schools and Hospitals and Buildings Owned by Units of Local Government and Public Care Institutions regulations at 10 CFR part 455. 90 FR 20945; (May 2025 proposal). In the proposal, DOE explained that the regulations were established to implement the Institutional Conservation Program (ICP), which provided grants to various institutions to fund detailed energy audits, called technical assistance programs, and energy conservation measures. The ICP and its regulations were authorized under Title III of the Energy Policy and Conservation Act, as amended, 42 U.S.C. 6371 *et seq.*

As discussed in the May 2025 proposal, the ICP was consolidated in 1996 with the State Energy Conservation Program (SECP) to establish the State Energy Program (SEP), which provides formula grants using SECP’s amended regulations at 10 CFR part 420. Through that consolidation process, DOE did not eliminate ICP’s regulations at 10 CFR part 455 and instead directed states wishing to undertake activities previously administered through ICP to apply to SEP and comply with the newly amended regulations at 10 CFR part 420. 90 FR 20945, 20945.

This final rule rescinds those regulations that remained in place even though the supporting statutory authority for the ICP has gone unfunded for many years and the regulations are no longer in use.

## II. Response to Comments

DOE received three comments in response to the May 2025 proposal.

**Table II.1 List of Commenters from the May 2025 Proposed Rule**

<b>Commenter</b>	<b>Reference in this Final Rule</b>	<b>Comment No. in the Docket</b>	<b>Commenter Type</b>
Anonymous	Anonymous	2	Individual
Misty Duvall	Duvall	3	Individual

Christina Sobczak	Sobczak	4	Individual
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Anonymous commenter and Christina Sobczak do not support rescinding 10 CFR part 455 on the basis that Federal grant programs are beneficial to local governments, schools, and public care institutions. Sobczak commented that 30 percent of schools have poor energy efficiency and cited firsthand experience as to the importance of children having well-maintained schools. Misty Duvall advocates for protecting against impairments to institutions currently using the regulations in 10 CFR part 455.

In response, DOE notes that all comments received reflect a misunderstanding of the consequences of the proposed rule. Commenters advocated for funding opportunities for energy efficiency measures in schools, hospitals, and buildings of local units of government and discussed the benefit of such measures to children, patients, and citizens, which will not be impacted by the rescission of 10 CFR part 455. This is precisely why Congress has regularly appropriated the State Energy Program (SEP), which utilizes the regulations in 10 CFR part 420 to accomplish these and other energy efficiency measures in public buildings. The purpose of this final rule is to eliminate extraneous and derelict regulations that have no bearing on an existing program.

### **III. Conclusion**

For the reasons discussed in the preceding sections of this document, DOE is finalizing this final rule.

### **IV. Procedural Issues and Regulatory Review**

#### *A. Review Under Executive Order 12866*

Section 6(a) of Executive Order (“E.O.”) 12866, “Regulatory Planning and Review,” 58 FR 51735 (Oct. 4, 1993), requires agencies to submit “significant regulatory actions” to the Office of Information and Regulatory Affairs (“OIRA”) in the Office of Management and Budget (“OMB”) for review. OIRA has determined that this regulatory

action does not constitute a “significant regulatory action” under section 3(f) of E.O. 12866. Accordingly, this action was not submitted to OIRA for review under E.O. 12866.

#### *B. Review Under Additional Executive Orders and Presidential Memoranda*

DOE has examined this final rule and has determined that it is consistent with the policies and directives outlined in E.O. 14154 “Unleashing American Energy,” E.O. 14192, “Unleashing Prosperity Through Deregulation,” and Presidential Memorandum, “Delivering Emergency Price Relief for American Families and Defeating the Cost-of-Living Crisis.” While this final rule does not result in cost savings per E.O. 14192, DOE considers this a deregulatory action because it removes obsolete regulations.

#### *C. Review Under Regulatory Flexibility Act*

The Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) requires preparation of an initial regulatory flexibility analysis (“IRFA”) and a final regulatory flexibility analysis (“FRFA”) for any rule that by law must be proposed for public comment, unless the agency certifies that the rule, if promulgated, will not have a significant economic impact on a substantial number of small entities. As required by E.O. 13272, “Proper Consideration of Small Entities in Agency Rulemaking,” 67 FR 53461 (Aug. 16, 2002), DOE published procedures and policies on February 19, 2003, to ensure that the potential impacts of its rules on small entities are properly considered during the rulemaking process. 68 FR 7990. DOE has made its procedures and policies available on the Office of the General Counsel's website ([www.energy.gov/gc/office-general-counsel](http://www.energy.gov/gc/office-general-counsel)).

DOE reviewed this final rule under the provisions of the Regulatory Flexibility Act and the policies and procedures published on February 19, 2003. This final rule will not impact small businesses/entities as there is no active Financial Assistance program

subject to 10 CFR part 455. Therefore, DOE concludes that the impacts of the rule would not have a “significant economic impact on a substantial number of small entities,” and that the preparation of an FRFA is not warranted. DOE will transmit this certification and supporting statement of factual basis to the Chief Counsel for Advocacy of the Small Business Administration for review under 5 U.S.C. 605(b).

*D. Review Under Paperwork Reduction Act*

This final rule imposes no new information collection requirements subject to the Paperwork Reduction Act and OMB clearance is not required. (44 U.S.C. 3501 *et seq.*)

*E. Review Under National Environmental Policy Act of 1969*

Pursuant to the National Environmental Policy Act (NEPA) of 1969 (42 U.S.C. 4321 *et seq.*), DOE has analyzed this action in accordance with NEPA, as amended, DOE’s NEPA implementing regulations (set forth in 10 CFR part 1021), and DOE’s NEPA implementing procedures (published outside the Code of Federal Regulations on June 30, 2025 (Available at: [www.energy.gov/nepa/articles/doe-nepa-implementing-procedures-june-2025](http://www.energy.gov/nepa/articles/doe-nepa-implementing-procedures-june-2025))). On July 3, 2025, DOE published an interim final rule in the Federal Register which revised 10 CFR part 1021 to contain only administrative and routine actions excepted from NEPA review in appendix A, its existing categorical exclusions in appendix B, related requirements, and a provision for emergency circumstances. 90 FR 29676. DOE notes that appendix A in 10 CFR part 1021 (formerly categorical exclusions) are now administrative and routine actions that do not require NEPA review.

DOE is rescinding the regulations at 10 CFR part 455 because these regulations are no longer in use; no new appropriations have been directed/provided to ICP since 1998 as new funding has been directed to SEP (the successor program) since that time. As such, DOE has determined that this rulemaking is strictly procedural and, therefore, is

an administrative and routine action and is not a major Federal action significantly affecting the quality of the human environment within the meaning of NEPA and no further environmental review is needed. For more information, please see appendix A of 10 CFR part 1021 (“A6, Procedural rulemakings”) and appendix A of DOE’s NEPA implementing procedures, A6, Procedural rulemakings (June 30, 2025).”

*F. Review Under Executive Order 13132*

Executive Order 13132, “Federalism,” 64 FR 43255 (August 4, 1999), imposes certain requirements on Federal agencies formulating and implementing policies or regulations that preempt State law or that have federalism implications. The Executive order requires agencies to examine the constitutional and statutory authority supporting any action that would limit the policymaking discretion of the States and to carefully assess the necessity for such actions. The Executive order also requires agencies to have an accountable process to ensure meaningful and timely input by State and local officials in the development of regulatory policies that have federalism implications. On March 14, 2000, DOE published a statement of policy describing the intergovernmental consultation process it will follow in the development of such regulations. 65 FR 13735. DOE has examined this final rule and has determined that it would not have a substantial direct effect on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. Therefore, no further action is required by Executive Order 13132.

*G. Review Under Executive Order 12988*

With respect to the review of existing regulations and the promulgation of new regulations, section 3(a) of Executive Order 12988, “Civil Justice Reform,” 61 FR 4729 (February 7, 1996), imposes on Executive agencies the general duty to adhere to the following requirements: (1) eliminate drafting errors and ambiguity; (2) write regulations to minimize litigation; and (3) provide a clear legal standard for affected conduct rather

than a general standard and promote simplification and burden reduction. With regard to the review required by section 3(a), section 3(b) of Executive Order 12988 specifically requires that Executive agencies make every reasonable effort to ensure that the regulation: (1) clearly specifies the preemptive effect, if any; (2) clearly specifies any effect on existing Federal law or regulation; (3) provides a clear legal standard for affected conduct while promoting simplification and burden reduction; (4) specifies the retroactive effect, if any; (5) adequately defines key terms; and (6) addresses other important issues affecting clarity and general draftsmanship under any guidelines issued by the Attorney General. Section 3(c) of Executive Order 12988 requires Executive agencies to review regulations in light of applicable standards in section 3(a) and section 3(b) to determine whether they are met or it is unreasonable to meet one or more of them. DOE has completed the required review and determined that, to the extent permitted by law, this final rule meets the relevant standards of Executive Order 12988.

#### *H. Review Under Unfunded Mandates Reform Act of 1995*

Title II of the Unfunded Mandates Reform Act of 1995 (“UMRA”) requires each Federal agency to assess the effects of Federal regulatory actions on State, local, and Tribal governments and the private sector. Public Law 104-4, sec. 201 (codified at 2 U.S.C. 1531). For a regulatory action likely to result in a rule that may cause the expenditure by State, local, and Tribal governments, in the aggregate, or by the private sector of \$100 million or more in any one year (adjusted annually for inflation), section 202 of UMRA requires a Federal agency to publish a written statement that estimates the resulting costs, benefits, and other effects on the national economy. (2 U.S.C. 1532(a), (b)) The UMRA also requires a Federal agency to develop an effective process to permit timely input by elected officers of State, local, and Tribal governments on a “significant intergovernmental mandate,” and requires an agency plan for giving notice and opportunity for timely input to potentially affected small governments before establishing

any requirements that might significantly or uniquely affect them. On March 18, 1997, DOE published a statement of policy on its process for intergovernmental consultation under UMRA. 62 FR 12820. DOE's policy statement is also available at [www.energy.gov/sites/prod/files/gcprod/documents/umra\\_97.pdf](http://www.energy.gov/sites/prod/files/gcprod/documents/umra_97.pdf).

DOE examined this final rule according to UMRA and its statement of policy and determined that the final rule does not contain a Federal intergovernmental mandate, nor is it expected to require expenditures of \$100 million or more in any one year by State, local, and Tribal governments, in the aggregate, or by the private sector. As a result, the analytical requirements of UMRA do not apply.

*I. Review Under Treasury and General Government Appropriations Act, 1999*

Section 654 of the Treasury and General Government Appropriations Act, 1999 (Pub. L. 105-277) requires Federal agencies to issue a Family Policymaking Assessment for any rule that may affect family well being. This final rule would not have any impact on the autonomy or integrity of the family as an institution. Accordingly, DOE has concluded that it is not necessary to prepare a Family Policymaking Assessment.

*J. Review Under Executive Order 12630*

Pursuant to E.O. 12630, "Governmental Actions and Interference with Constitutionally Protected Property Rights," 53 FR 8859 (March 18, 1988), DOE has determined that this final rule would not result in any takings that might require compensation under the Fifth Amendment to the U.S. Constitution.

*K. Review Under Treasury and General Government Appropriations Act, 2001*

Section 515 of the Treasury and General Government Appropriations Act, 2001 (44 U.S.C. 3516 note) provides for Federal agencies to review most disseminations of information to the public under information quality guidelines established by each agency pursuant to general guidelines issued by OMB. OMB's guidelines were published at 67

FR 8452 (Feb. 22, 2002), and DOE's guidelines were published at 67 FR 62446 (Oct. 7, 2002). Pursuant to OMB Memorandum M-19-15, Improving Implementation of the Information Quality Act (April 24, 2019), DOE published updated guidelines which are available at: [www.energy.gov/cio/department-energy-information-quality-guidelines](http://www.energy.gov/cio/department-energy-information-quality-guidelines). DOE has reviewed this final rule under the OMB and DOE guidelines and has concluded that it is consistent with applicable policies in those guidelines.

*L. Review Under Executive Order 13211*

Executive Order 13211, "Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use," 66 FR 28355 (May 22, 2001), requires Federal agencies to prepare and submit to OIRA at OMB, a Statement of Energy Effects for any significant energy action. A "significant energy action" is defined as any action by an agency that promulgated or is expected to lead to promulgation of a final rule, and that: (1) is a significant regulatory action under Executive Order 12866, or any successor order; and (2) is likely to have a significant adverse effect on the supply, distribution, or use of energy, or (3) is designated by the Administrator of OIRA as a significant energy action. For any significant energy action, the agency must give a detailed statement of any adverse effects on energy supply, distribution, or use should the proposal be implemented, and of reasonable alternatives to the action and their expected benefits on energy supply, distribution, and use.

This final rule is not a significant regulatory action under E.O. 12866. Moreover, it would not have a significant adverse effect on the supply, distribution, or use of energy, nor has it been designated as such by the Administrator at OIRA. Accordingly, DOE has not prepared a Statement of Energy Effects.

*M. Congressional Notification*

As required by 5 U.S.C. 801, DOE will submit to Congress a report regarding the issuance of this final rule prior to the effective date set forth at the outset of this final rule.

The report will state that it has been determined that the rule is not a “major rule” as defined by 5 U.S.C. 804(2).

## **V. Approval of the Office of the Secretary**

The Secretary of Energy has approved publication of final rule.

### **List of Subjects in 10 CFR Part 455**

Administrative practice and procedure, Buildings and facilities, Community facilities, Energy conservation, Grant programs—energy, Health facilities, Hospitals, Reporting and recordkeeping requirements, Schools, Solar energy, and Technical assistance.

### **Signing Authority**

This document of the Department of Energy was signed on February 2, 2026, by Michael Li, Director, Office of State and Community Energy Programs, pursuant to delegated authority from the Secretary of Energy. That document with the original signature and date is maintained by DOE. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DOE Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of the Department of Energy. This administrative process in no way alters the legal effect of this document upon publication in the *Federal Register*.

Signed in Washington, DC, on April 10, 2026.

**Treena V. Garrett,**  
*Federal Register Liaison Officer,*  
*U.S. Department of Energy.*

For the reasons set forth in the preamble, under the authority of 42 U.S.C. 6371 *et seq.*, and 42 U.S.C. 7101 *et seq.*, DOE is removing and reserving 10 CFR part 455.

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