

Department of Planning and Budget 2017 Fiscal Impact Statement

1. Bill Number: HB1712-E

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Minchew

3. Committee: General Laws

4. Title: Procurement; energy performance-based contracting.

5. Summary: Authorizes a public body, defined as a contracting entity, to purchase energy conservation or operational efficiency measures from an energy performance-based contract entered into by another contracting entity pursuant to the Energy and Operational Efficiency Performance-Based Contracting Act even if the entity did not participate in the request for proposals if the request for proposals specified that the procurement was being conducted on behalf of other contracting entities. The measure permits the use of cooperative procurement for energy conservation or operational efficiency measures in such instances.

As engrossed, the bill provides that energy conservation or operational efficiency measures shall not include roof replacement projects.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary; See Item 8 below.

8. Fiscal Implications: The proposed legislation is not expected to have a state fiscal impact. The bill allows public bodies to purchase energy conservation or operational efficiency measures under an energy performance-based contract if the request for proposals specified the procurement was being conducted on behalf of other contracting entities. Energy performance-based contracts are essentially self-funding through guaranteed energy savings, as energy and operating cost savings must be guaranteed to meet or exceed the cost of such measures.

Language is included in § 4-4.01 t.6. of the introduced budget, HB1500/SB900, that would also allow cooperative procurement to be utilized in the execution of energy-efficiency projects.

9. Specific Agency or Political Subdivisions Affected: The Department of General Services, Department of Mines, Minerals and Energy, and all states agencies and other public bodies interested in executing an energy performance contract.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/31/2017
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