

The Senate Committee on Education and Youth offered the following substitute to HB 306:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Code Section 20-2-506 of the Official Code of Georgia Annotated, relating to  
2 definitions and authority to enter into multiyear lease, purchase, or lease purchase contracts,  
3 so as to revise definitions; to provide for conforming changes; to amend Chapter 37 of  
4 Title 50 of the Official Code of Georgia Annotated, relating to guaranteed energy savings  
5 performance contracting, so as to revise definitions; to provide for related matters; to repeal  
6 conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Code Section 20-2-506 of the Official Code of Georgia Annotated, relating to definitions and  
10 authority to enter into multiyear lease, purchase, or lease purchase contracts, is amended by  
11 revising subsections (a) and (b) as follows:

12 "(a) As used in this Code section, the term:

13 (1) 'Energy cost savings measure' means a facility alteration, a training program  
14 incidental to the contract, or an equipment purchase to be used in building a retrofit,  
15 addition, or renovation or in new construction which reduces energy or water

16 consumption, wastewater production, or operating costs, or is designed to generate  
17 revenue, and includes, but is not limited to, any one of the following:

18 (A) Insulating the building structure or structures within the building, including  
19 caulking or weather-stripping;

20 (B) Installing storm windows or doors, multiglazed windows or doors, heat absorbing  
21 or heat reflective glazed and coated window or door systems, or other window or door  
22 systems designed to reduce energy consumption;

23 (C) Installing automated or computerized energy control systems;

24 (D) Modifying or replacing heating, ventilating, or air-conditioning systems;

25 (E) Replacing or modifying lighting fixtures to increase the energy efficiency of the  
26 lighting system;

27 (F) Improving indoor air quality to conform to the applicable state or local building  
28 code requirements;

29 (G) Installing energy recovery systems;

30 (H) Installing cogeneration systems that produce steam or forms of energy such as heat  
31 and electricity for use primarily within a building or complex of buildings;

32 (I) Life safety measures that provide long-term operating cost reductions and are in  
33 compliance with state and local codes, and building operation programs that reduce  
34 operating costs; and

35 (J) Any other measure not otherwise defined in this Code section which is designed to  
36 reduce energy or water consumption, reduce wastewater production, avoid capital costs,  
37 or achieve similar efficiency gains by the county, independent, or area school system.

38 (2) 'Guaranteed energy ~~saving~~ savings performance contract' means a contract for the  
39 implementation of one or more energy cost savings measures providing that all payments  
40 except obligations on termination of the contract before its expiration are to be made over  
41 time and the energy cost savings are guaranteed to the extent necessary to make payments  
42 for the contract.

43 (b) Except as otherwise provided in this Code section, each county, independent, or area  
44 school system in this state shall be authorized to enter into multiyear lease, purchase, or  
45 lease purchase contracts of all kinds for the acquisition of goods, materials, real and  
46 personal property, services, and supplies, provided that any such contract shall contain  
47 provisions for the following:

48 (1) The contract shall terminate absolutely and without further obligation on the part of  
49 the school system at the close of the calendar year in which it was executed and at the  
50 close of each succeeding calendar year for which it may be renewed as provided in this  
51 Code section;

52 (2) The contract may provide for automatic renewal unless positive action is taken by the  
53 school system to terminate such contract, and the nature of such action shall be  
54 determined by the school system and specified in the contract;

55 (3) The contract shall state the total obligation of the school system for the calendar year  
56 of execution and shall further state the total obligation which will be incurred in each  
57 calendar year renewal term, if renewed;

58 (4) The total combined annual payments for contracts under this Code section and  
59 contracts of such school system under Article IX, Section III, Paragraph I of the  
60 Constitution in any calendar year, excluding guaranteed energy savings performance  
61 contracts, shall not exceed an amount equal to 7.5 percent of the total local revenue  
62 collected for maintenance and operation of the school system in the most recently  
63 completed fiscal year; provided, however, that the foregoing limitation shall not apply to  
64 contracts with other public educational entities, including school systems in this state, for  
65 the education of students; and

66 (5) For each guaranteed energy savings performance contract, a school system shall  
67 document the historical energy cost of each structure affected for a period of at least one  
68 year prior to the date of the contract and shall document the monthly energy cost and  
69 monthly energy savings of each affected structure for the life of the contract."

70

**SECTION 2.**

71 Chapter 37 of Title 50 of the Official Code of Georgia Annotated, relating to guaranteed  
72 energy savings performance contracting, is amended in Code Section 50-37-2, relating to  
73 definitions relative to guaranteed energy savings performance contracting provisions, by  
74 revising paragraph (4) and adding a new paragraph to read as follows:

75 "(4) 'Energy conservation measure' means a program or facility alteration or technology  
76 upgrade designed to reduce energy, water, waste-water, ~~or~~ other consumption, or  
77 operating costs, or to generate revenue to allow revenue generation measures. ~~The~~ Such  
78 term may include, without limitation:

79 (A) Insulation of the building structure or systems within the building;

80 (B) Storm windows or doors, caulking or weather stripping, multiglazed windows or  
81 doors, heat absorbing or heat reflective glazed and coated window or door systems,  
82 additional glazing, reductions in glass area, or other window and door system  
83 modifications that reduce energy consumption;

84 (C) Automated or computerized energy control systems;

85 (D) Heating, ventilating, or air-conditioning system modifications or replacements;

86 (E) Replacement or modification of lighting fixtures to increase the energy efficiency  
87 of the lighting system without increasing the overall illumination of a facility, unless  
88 an increase in illumination is necessary to conform to applicable state or local building  
89 codes for the lighting system after the proposed modifications are made;

90 (F) Energy recovery ventilation systems;

91 (G) A training program or facility alteration that reduces energy consumption or  
92 reduces operating costs, including allowable costs, based on future reductions in costs  
93 for contracted services;

94 (H) A facility alteration which includes expenditures that are required to properly  
95 implement other energy conservation measures;

- 96 (I) A program to reduce energy costs through rate adjustments, load shifting to reduce  
97 peak demand, or use of alternative suppliers as otherwise provided by law, such as, but  
98 not limited to:
- 99 (i) Changes to more favorable rate schedules;
  - 100 (ii) Negotiation of lower rates, where applicable; and
  - 101 (iii) Auditing of energy service billing and meters;
- 102 (J) The installation of energy information and control systems that monitor  
103 consumption, redirect systems to optimal energy sources, and manage energy using  
104 equipment;
- 105 (K) Indoor air quality improvements;
- 106 (L) Daylighting systems;
- 107 (M) Renewable generation systems owned by the governmental unit, such as solar  
108 photovoltaic, solar thermal, wind, and other technologies as identified in the project,  
109 provided that all metered distribution and deliveries of electric energy are made by an  
110 electric supplier authorized under Part 1 of Article 1 of Chapter 3 of Title 46, the  
111 'Georgia Territorial Electric Service Act';
- 112 (N) Geothermal HVAC systems;
- 113 (O) Water and sewer conservation measures, including, without limitation, plumbing  
114 fixtures and infrastructure;
- 115 (P) Equipment upgrades that improve accuracy of billable revenue generating systems;  
116 and
- 117 (Q) Automated, electronic, or remotely controlled systems or measures that reduce  
118 direct and other operating costs.
- 119 (4.1) 'Facility' means any or all portions of buildings, structures, sites, complexes,  
120 equipment, rolling stock, or other conveyances, roads, walks, passageways, parking lots,  
121 or other real or personal property, including, but not limited to, the site where the  
122 building, property, structure, or equipment is located."

123

**SECTION 3.**

124 All laws and parts of laws in conflict with this Act are repealed.