

Senate Bill 250

By: Senators Dixon of the 45th, Goodman of the 8th and Watson of the 11th

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 the definition of "energy cost savings measures"; to authorize additional
4 optional contract provisions; to provide that energy cost saving contracts shall be
5 competitively procured; to amend Chapter 37 of Title 50 of the Official Code of Georgia
6 Annotated, relating to guaranteed energy savings performance contracting, so as to revise
7 definitions; to provide for related matters; to repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

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

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

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

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

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

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

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

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

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

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

30 (G) Installing energy recovery systems;

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

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

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

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

43 "(c) In addition to the provisions enumerated in subsection (b) of this Code section, any
44 contract authorized by this Code section may include:

45 (1) A provision which requires that the contract will terminate immediately and
46 absolutely at such time as appropriated and otherwise unobligated funds are no longer
47 available to satisfy the obligations of the school system under the contract; ~~or~~

48 (2) A provision which provides that if the contractor is responsible for quantitative
49 financial performance, such contractor shall be responsible for selecting subcontractors,
50 suppliers, and vendors as the contractor deems appropriate; or

51 ~~(2)(3)~~ Any other provision reasonably necessary to protect the interests of the school
52 system."

53 "(j) Any contract developed under this Code section shall comply with the applicable
54 provisions of the Official Code of Georgia Annotated, and regulations thereunder, relating
55 to state allocated capital outlay funds and entitlements. Such contracts shall be
56 competitively procured by the school system."

57 **SECTION 2.**

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

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

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

67 (B) Storm windows or doors, caulking or weather stripping, multiglazed windows or
68 doors, heat absorbing or heat reflective glazed and coated window or door systems,

- 69 additional glazing, reductions in glass area, or other window and door system
70 modifications that reduce energy consumption;
- 71 (C) Automated or computerized energy control systems;
- 72 (D) Heating, ventilating, or air-conditioning system modifications or replacements;
- 73 (E) Replacement or modification of lighting fixtures to increase the energy efficiency
74 of the lighting system without increasing the overall illumination of a facility, unless
75 an increase in illumination is necessary to conform to applicable state or local building
76 codes for the lighting system after the proposed modifications are made;
- 77 (F) Energy recovery ventilation systems;
- 78 (G) A training program or facility alteration that reduces energy consumption or
79 reduces operating costs, including allowable costs, based on future reductions in costs
80 for contracted services;
- 81 (H) A facility alteration which includes expenditures that are required to properly
82 implement other energy conservation measures;
- 83 (I) A program to reduce energy costs through rate adjustments, load shifting to reduce
84 peak demand, or use of alternative suppliers as otherwise provided by law, such as, but
85 not limited to:
- 86 (i) Changes to more favorable rate schedules;
- 87 (ii) Negotiation of lower rates, where applicable; and
- 88 (iii) Auditing of energy service billing and meters;
- 89 (J) The installation of energy information and control systems that monitor
90 consumption, redirect systems to optimal energy sources, and manage energy using
91 equipment;
- 92 (K) Indoor air quality improvements;
- 93 (L) Daylighting systems;
- 94 (M) Renewable generation systems owned by the governmental unit, such as solar
95 photovoltaic, solar thermal, wind, and other technologies as identified in the project,

96 provided that all metered distribution and deliveries of electric energy are made by an
97 electric supplier authorized under Part 1 of Article 1 of Chapter 3 of Title 46, the
98 'Georgia Territorial Electric Service Act';
99 (N) Geothermal HVAC systems;
100 (O) Water and sewer conservation measures, including, without limitation, plumbing
101 fixtures and infrastructure;
102 (P) Equipment upgrades that improve accuracy of billable revenue generating systems;
103 and
104 (Q) Automated, electronic, or remotely controlled systems or measures that reduce
105 direct and other operating costs.
106 (4.1) 'Facility' means any or all portions of buildings, structures, sites, complexes,
107 equipment, rolling stock, or other conveyances, roads, walks, passageways, parking lots,
108 or other real or personal property, including, but not limited to, the site where the
109 building, property, structure, or equipment is located."

110

SECTION 3.

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