

The House Committee on Governmental Affairs offers 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 the definition of "energy cost savings measure"; 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) 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

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

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SECTION 2.

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

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

- (A) Insulation of the building structure or systems within the building;
- (B) Storm windows or doors, caulking or weather stripping, multiglazed windows or doors, heat absorbing or heat reflective glazed and coated window or door systems, additional glazing, reductions in glass area, or other window and door system modifications that reduce energy consumption;
- (C) Automated or computerized energy control systems;
- (D) Heating, ventilating, or air-conditioning system modifications or replacements;
- (E) Replacement or modification of lighting fixtures to increase the energy efficiency of the lighting system without increasing the overall illumination of a facility, unless an increase in illumination is necessary to conform to applicable state or local building codes for the lighting system after the proposed modifications are made;
- (F) Energy recovery ventilation systems;
- (G) A training program or facility alteration that reduces energy consumption or reduces operating costs, including allowable costs, based on future reductions in costs for contracted services;
- (H) A facility alteration which includes expenditures that are required to properly implement other energy conservation measures;

68 (I) A program to reduce energy costs through rate adjustments, load shifting to reduce
69 peak demand, or use of alternative suppliers as otherwise provided by law, such as, but
70 not limited to:

- 71 (i) Changes to more favorable rate schedules;
- 72 (ii) Negotiation of lower rates, where applicable; and
- 73 (iii) Auditing of energy service billing and meters;

74 (J) The installation of energy information and control systems that monitor
75 consumption, redirect systems to optimal energy sources, and manage energy using
76 equipment;

77 (K) Indoor air quality improvements;

78 (L) Daylighting systems;

79 (M) Renewable generation systems owned by the governmental unit, such as solar
80 photovoltaic, solar thermal, wind, and other technologies as identified in the project,
81 provided that all metered distribution and deliveries of electric energy are made by an
82 electric supplier authorized under Part 1 of Article 1 of Chapter 3 of Title 46, the
83 'Georgia Territorial Electric Service Act';

84 (N) Geothermal HVAC systems;

85 (O) Water and sewer conservation measures, including, without limitation, plumbing
86 fixtures and infrastructure;

87 (P) Equipment upgrades that improve accuracy of billable revenue generating systems;
88 and

89 (Q) Automated, electronic, or remotely controlled systems or measures that reduce
90 direct and other operating costs.

91 (4.1) 'Facility' means any or all portions of buildings, structures, sites, complexes,
92 equipment, rolling stock, or other conveyances, roads, walks, passageways, parking lots,
93 or other real or personal property, including, but not limited to, the site where the
94 building, property, structure, or equipment is located."

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SECTION 3.

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