

House Bill 306

By: Representatives Fleming of the 114th, Rhodes of the 124th, Townsend of the 179th,
McCollum of the 30th, Barton of the 5th, and others

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 provide that energy cost
4 saving contracts need not be subject to competitive bidding; to amend Chapter 37 of Title 50
5 of the Official Code of Georgia Annotated, relating to guaranteed energy savings
6 performance contracting, so as to revise definitions; to revise limitations on improvement
7 that is not causally connected to an energy conservation measure; to provide for related
8 matters; to repeal conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **SECTION 1.**

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

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

15 (1) 'Energy cost savings measure' means a facility alteration, a training program
16 incidental to the contract, or an equipment purchase to be used in building a retrofit,

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17 addition, or renovation or in new construction which reduces energy or water
18 consumption, wastewater production, or operating costs, or is designed to generate
19 revenue, and includes, but is not limited to, any one of the following:

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

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

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

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

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

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

31 (G) Installing energy recovery systems;

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

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

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

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

44 "(j) Any contract developed under this Code section shall comply with the applicable
45 provisions of the Official Code of Georgia Annotated, and regulations thereunder, relating
46 to state allocated capital outlay funds and entitlements; provided, however, that such
47 contract may be effectuated without competitive bidding."

48

SECTION 2.

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

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

- 57 (A) Insulation of the building structure or systems within the building;
- 58 (B) Storm windows or doors, caulking or weather stripping, multiglazed windows or
59 doors, heat absorbing or heat reflective glazed and coated window or door systems,
60 additional glazing, reductions in glass area, or other window and door system
61 modifications that reduce energy consumption;
- 62 (C) Automated or computerized energy control systems;
- 63 (D) Heating, ventilating, or air-conditioning system modifications or replacements;
- 64 (E) Replacement or modification of lighting fixtures to increase the energy efficiency
65 of the lighting system without increasing the overall illumination of a facility, unless
66 an increase in illumination is necessary to conform to applicable state or local building
67 codes for the lighting system after the proposed modifications are made;
- 68 (F) Energy recovery ventilation systems;

- 69 (G) A training program or facility alteration that reduces energy consumption or
70 reduces operating costs, including allowable costs, based on future reductions in costs
71 for contracted services;
- 72 (H) A facility alteration which includes expenditures that are required to properly
73 implement other energy conservation measures;
- 74 (I) A program to reduce energy costs through rate adjustments, load shifting to reduce
75 peak demand, or use of alternative suppliers as otherwise provided by law, such as, but
76 not limited to:
- 77 (i) Changes to more favorable rate schedules;
 - 78 (ii) Negotiation of lower rates, where applicable; and
 - 79 (iii) Auditing of energy service billing and meters;
- 80 (J) The installation of energy information and control systems that monitor
81 consumption, redirect systems to optimal energy sources, and manage energy using
82 equipment;
- 83 (K) Indoor air quality improvements;
- 84 (L) Daylighting systems;
- 85 (M) Renewable generation systems owned by the governmental unit, such as solar
86 photovoltaic, solar thermal, wind, and other technologies as identified in the project,
87 provided that all metered distribution and deliveries of electric energy are made by an
88 electric supplier authorized under Part 1 of Article 1 of Chapter 3 of Title 46, the
89 'Georgia Territorial Electric Service Act';
- 90 (N) Geothermal HVAC systems;
- 91 (O) Water and sewer conservation measures, including, without limitation, plumbing
92 fixtures and infrastructure;
- 93 (P) Equipment upgrades that improve accuracy of billable revenue generating systems;
- 94 and

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

97 (4.1) 'Facility' means any or all portions of buildings, structures, sites, complexes,
98 equipment, rolling stock, or other conveyances, roads, walks, passageways, parking lots,
99 or other real or personal property, including, but not limited to, the site where the
100 building, property, structure, or equipment is located."

101 SECTION 3.

102 Said chapter is further amended in Code Section 50-37-4, relating to contracts provisions,
103 by revising subsection (d) as follows:

104 "(d) An improvement that is not causally connected to an energy conservation measure
105 may be included in a guaranteed energy savings performance contract if:

106 ~~(1) The total value of the improvement does not exceed 15 percent of the total value of~~
107 ~~the guaranteed energy savings performance contract; and~~

108 ~~(2) Either:~~

109 ~~(A) The improvement is necessary to conform to a law, a rule, or an ordinance; or~~

110 ~~(B) An analysis within the guaranteed energy savings performance contract~~
111 ~~demonstrates that there is an economic advantage to the governmental unit~~
112 ~~implementing an improvement as part of the guaranteed energy savings performance~~
113 ~~contract, and the savings justification for the improvement is documented by industry~~
114 ~~engineering standards."~~

115 SECTION 4.

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