

BILL ANALYSIS

C.S.H.B. 1184
By: Paddie
Energy Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties note that certain local governmental entities currently can enter into energy savings performance contracts to install more efficient systems or equipment that will result in long-term savings in energy, water, or other costs. These contracts provide for the financing of such installations based on a guarantee of future savings. The interested parties assert that similar cost savings could be achieved through performance contracts for motor vehicles and programs resulting in utility cost savings. C.S.H.B. 1184 seeks to address this issue.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 1184 amends the Local Government Code to include in the definition of "energy savings performance contract" applicable to statutory provisions governing energy savings performance contracts for local governments a contract for the implementation of alternative fuel programs resulting in energy cost savings and reduced emissions for local government vehicles, including fleet vehicles, and a contract for the installation or implementation of programs resulting in utility cost savings.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1184 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 302.001(4), Local Government Code, is amended to read as

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 302.001(4), Local Government Code, is amended to read as

84R 18651

15.83.803

Substitute Document Number: 84R 15506

follows:

(4) "Energy savings performance contract" means a contract between a local government and a provider for energy or water conservation or usage measures in which the estimated energy savings, increase in billable revenues, or increase in meter accuracy resulting from the measures is subject to guarantee to offset the cost of the energy or water conservation or usage measures over a specified period. The term includes a contract for the installation or implementation of the following in new or existing facilities, including all causally connected work:

- (A) insulation of a building structure and 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, or other window or door system modifications that reduce energy consumption;
- (C) automatic energy control systems, including computer software and technical data licenses;
- (D) heating, ventilating, or air-conditioning system modifications or replacements that reduce energy or water consumption;
- (E) lighting fixtures that increase energy efficiency;
- (F) energy recovery systems;
- (G) electric systems improvements;
- (H) water-conserving fixtures, appliances, and equipment or the substitution of non-water-using fixtures, appliances, and equipment;
- (I) water-conserving landscape irrigation equipment;
- (J) landscaping measures that reduce watering demands and capture and hold applied water and rainfall, including:
 - (i) landscape contouring, including the use of berms, swales, and terraces; and
 - (ii) the use of soil amendments that increase the water-holding capacity of the soil, including compost;
- (K) rainwater harvesting equipment and equipment to make use of water collected as part of a storm-water system installed for water quality control;
- (L) equipment for recycling or reuse of water originating on the premises or from other sources, including treated municipal

follows:

(4) "Energy savings performance contract" means a contract between a local government and a provider for energy or water conservation or usage measures in which the estimated energy savings, utility cost savings, increase in billable revenues, or increase in meter accuracy resulting from the measures is subject to guarantee to offset the cost of the energy or water conservation or usage measures over a specified period. The term includes a contract for the installation or implementation of the following in new or existing facilities, including all causally connected work:

- (A) insulation of a building structure and 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, or other window or door system modifications that reduce energy consumption;
- (C) automatic energy control systems, including computer software and technical data licenses;
- (D) heating, ventilating, or air-conditioning system modifications or replacements that reduce energy or water consumption;
- (E) lighting fixtures that increase energy efficiency;
- (F) energy recovery systems;
- (G) electric systems improvements;
- (H) water-conserving fixtures, appliances, and equipment or the substitution of non-water-using fixtures, appliances, and equipment;
- (I) water-conserving landscape irrigation equipment;
- (J) landscaping measures that reduce watering demands and capture and hold applied water and rainfall, including:
 - (i) landscape contouring, including the use of berms, swales, and terraces; and
 - (ii) the use of soil amendments that increase the water-holding capacity of the soil, including compost;
- (K) rainwater harvesting equipment and equipment to make use of water collected as part of a storm-water system installed for water quality control;
- (L) equipment for recycling or reuse of water originating on the premises or from other sources, including treated municipal

effluent;

(M) equipment needed to capture water from nonconventional, alternate sources, including air-conditioning condensate or graywater, for nonpotable uses;

(N) metering or related equipment or systems that improve the accuracy of billable-revenue-generation systems; ~~or~~

(O) alternative fuel programs resulting in energy cost savings and reduced emissions for local government vehicles, including fleet vehicles; or

(P) other energy or water conservation-related improvements or equipment, including improvements or equipment relating to renewable energy or nonconventional water sources or water reuse.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2015.

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(O) alternative fuel programs resulting in energy cost savings and reduced emissions for local government vehicles, including fleet vehicles;

(P) programs resulting in utility cost savings; or

(Q) other energy or water conservation-related improvements or equipment, including improvements or equipment relating to renewable energy or nonconventional water sources or water reuse.

SECTION 2. Same as introduced version.