SUBJECT: Standardizing definitions of energy savings performance contracts

COMMITTEE: Energy Resources — committee substitute recommended

VOTE: 12 ayes — Darby, C. Anderson, G. Bonnen, Canales, Clardy, Craddick,

Guerra, Isaac, Lambert, Landgraf, Schubert, Walle

1 absent — P. King

WITNESSES: For — Glenn Gaines, Schneider Electric; (Registered, but did not testify:;

TJ Patterson, City of Fort Worth; Jesse Ozuna, City of Houston Mayor's Office; Cyrus Reed, Lone Star Chapter Sierra Club; Michael Jewell,

McKinstry; John Pitts, Texas Advanced Energy Business Alliance, Texas Solar Power Association; Joshua Houston, Texas Impact; Lucinda Saxon)

Against — None

On — (Registered, but did not testify: Dub Taylor, Comptroller of Public

Accounts)

BACKGROUND: Energy savings performance contracting is a construction financing

method that allows an entity to finance the completion of energy-saving improvements with money saved through reduced utility expenses.

Interested parties say that revisions to the provisions governing these

contracts could expand and maximize their returns.

DIGEST: CSHB 1571 would change the definition of "energy savings performance

contract," "baseline," and "energy savings" in Local Government Code, sec. 302.001 and would make conforming changes in the Government

Code and the Education Code where those definitions appear.

The bill also would allow government entities to pay the provider of energy or water conservation measures using any available money, removing the specification in current law that money for this purpose not

be borrowed from the state.

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This bill would take effect immediately if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2017.