

BILL ANALYSIS

Senate Research Center

H.B. 1184
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Business & Commerce
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

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. H.B. 1184 seeks to address this issue.

H.B. 1184 amends current law relating to authorizing certain utility cost savings and alternative fuel programs as eligible for local government energy savings performance contracts.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 302.001, Local Government Code, by amending Subdivision (4) and adding Subdivision (9-a), as follows:

(4) Redefines "energy savings performance contract" to mean 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. Provides that the term includes a contract related to the pilot program described by Subdivision (9-a) and a contract for the installation or implementation of the following in new or existing facilities, including all causally connected work:

(A)-(M) Makes no change to these paragraphs;

(N) Makes a nonsubstantive change;

(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) Creates this paragraph from existing Paragraph (O) text.

(9-a) Defines "pilot program" to mean a pilot program operated by the Energy Systems Laboratory at the Texas A&M Engineering Experiment Station, in consultation with the Texas Facilities Commission (TFC) and the State Energy Conservation Office, that:

(A) establishes and implements energy efficiency improvements to state-owned buildings maintained by TFC;

(B) generates savings in utility costs resulting from the improvements resulting in at least a 30 percent return on the costs of the improvements; and

(C) provides for any money attributable to utility cost savings resulting from the pilot program to only be appropriated to TFC.

SECTION 2. Effective date: upon passage or September 1, 2015.