

MAINE STATE LEGISLATURE

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UTILITIES AND ENERGY

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
119TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1740, L.D. 2446, Bill, "An Act to Encourage Energy Efficiency in Government Facilities"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

Sec. 1. 5 MRSA §1770 is enacted to read:

§1770. Energy savings pilot program

1. Goal. The Legislature finds it is in the best interests of the State to significantly reduce its energy consumption to the extent possible without interfering with other goals, plans and policies of the State. The energy reduction goal, referred to in this section as the "goal," for facilities owned by the State is, by 2010, a 25% reduction in energy consumption relative to baseline consumption in 1998, as long as the achievement of the goal is accomplished in a manner that:

A. Is consistent with all applicable laws; and

B. Does not interfere with other goals, plans or policies of the State.

For purposes of this subsection, "facilities owned by the State" includes all facilities that consume energy and that are owned by the legislative, judicial or executive branches of government,

COMMITTEE AMENDMENT

2 any state department, agency or authority, the University of
3 Maine System or the Maine Technical College System.

4 2. Definitions. As used in this section, unless the
5 context otherwise indicates, the following terms have the
6 following meanings.

8 A. "Department" means the Department of Administrative and
9 Financial Services.

10 B. "Energy service company" means a company with the
11 technical, operational, financial and managerial
12 capabilities to implement performance-based contracts that
13 result in energy and operational cost savings including the
14 capability:

15 (1) To design, implement and install energy efficiency
16 and facility improvement measures;

17 (2) To secure necessary financial measures to support
18 energy savings guarantees; and

19 (3) To ensure energy and operational cost savings.

20 C. "Performance-based contract" means a contract with an
21 energy service company for evaluation, recommendation or
22 implementation of one or more energy-saving measures. A
23 performance-based contract may be structured as:

24 (1) A guaranteed energy savings performance contract
25 that includes the design and installation of equipment
26 and, if applicable, operation and maintenance of any of
27 the energy-saving measures implemented and that
28 guarantees annual savings that meet or exceed the total
29 annual contract payments made by the State under the
30 contract;

31 (2) A shared savings contract that includes provisions
32 mutually agreed upon by the State and the energy
33 service company as to the negotiated rate of payments
34 based upon energy and operational cost savings and a
35 stipulated maximum energy consumption level over the
36 life of the contract; or

37 (3) Any other form of performance-based contract
38 established by the department by rule.

39 3. Pilot project. The department shall develop an energy
40 savings pilot project, referred to in this section as the "pilot
41 project," designed to achieve by 2010 a 25% reduction in energy
42 consumption.

2 consumption relative to baseline consumption in 1998 by
3 facilities included in the pilot project. The department shall
4 use performance-based contracts to achieve the energy savings.
5 By September 1, 2000, the department shall:

6 A. Identify at least 10 facilities that are over 40,000
7 square feet for inclusion in the pilot project. The 10
8 facilities may include facilities that through modifications
9 or renovations could achieve reduced energy consumption and
10 facilities that could be replaced by new facilities that
11 will consume less energy; and

12 B. Establish a process for soliciting proposals from energy
13 service companies and for selecting energy service
14 providers. The process must include a requirement that an
15 energy service provider who submits a proposal to undertake
16 a project provide a feasibility analysis for that project.
17 The process may also include a requirement that an energy
18 service company initially selected to undertake a project
19 provide, prior to contracting, a financial-grade energy
20 audit.

21 4. Plan development and implementation. The department
22 shall use available data, including data collected from
23 life-cycle cost evaluations undertaken pursuant to this chapter,
24 and shall consult with agencies with relevant expertise to
25 develop the pilot project and to choose facilities for inclusion
26 in the pilot project.

27 5. Reporting. The department shall report annually to the
28 joint standing committee of the Legislature having jurisdiction
29 over utilities and energy matters by the first business day in
30 February on:

31 A. The status of plans or efforts to achieve the goal and
32 the extent of projected or actual energy savings relative to
33 the goal; and

34 B. The status of the pilot project, including projected and
35 actual energy savings for each facility included in the
36 pilot project and the number and a description of the energy
37 service companies that responded to the request for
38 proposals and descriptions of all contracts entered into
39 pursuant to the pilot project.

40 6. Rules. The department may establish by rule procedures
41 and policies that facilitate the implementation of the pilot
42 project, including, but not limited to, a process for
43 prequalifying energy service companies and procedures that
44 encourage a comprehensive approach to the achievement of energy
45 savings.

2 savings. Rules adopted pursuant to this section are major
3 substantive rules as defined in Title 5, chapter 375, subchapter
4 II-A. The department shall submit to the Legislature
5 provisionally adopted rules no later than the first business day
6 in February 2001.

8 **Sec. 2. Development of baseline data; report.** The Department of
9 Administrative and Financial Services, Bureau of General Services
10 shall compile and organize baseline data on the annual energy
11 consumption and expenditures for each facility owned or managed
12 by the State. The bureau shall compile such data for the years
13 1998 and 1999 and shall develop a procedure for compiling such
14 data on an annual basis. The bureau shall also develop and
15 submit to the joint standing committee of the Legislature having
16 jurisdiction over utilities and energy matters by January 1, 2001
17 a report detailing how it has complied with the provisions of the
18 Energy Conservation in Buildings Act in each year since that Act
19 became effective, how it is currently assessing and addressing
20 energy conservation in the buildings it manages and a proposed
21 plan for achieving the goal established in the Maine Revised
22 Statutes, Title 5, section 1770.'

23 Further amend the bill by inserting at the end before the
24 summary the following:

26
27 **FISCAL NOTE**

28 This bill establishes a goal of reducing energy consumption
29 by 25% by 2010. Since the goal must be accomplished in a manner
30 consistent with all applicable laws and does not interfere with
31 other goals, plans or policies of the State, the net budgetary
32 impact of this goal can not be determined at this time. State
33 departments and agencies will incur additional costs to attempt
34 to meet this goal. These initial and ongoing costs may be
35 partially or completely offset with future energy savings.

36
37 The Bureau of General Services within the Department of
38 Administrative and Financial Services will incur some additional
39 costs to implement an energy savings pilot project, compile
40 baseline data on annual energy consumption and comply with
41 certain reporting requirements. These costs can be absorbed
42 within the bureau's existing budgeted resources.'

43
44
45 **SUMMARY**

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47 This amendment replaces the bill. This amendment
48 establishes an energy savings goal for state-owned facilities.

COMMITTEE AMENDMENT "A" to H.P. 1740, L.D. 2446

2 This amendment also requires the Department of Administrative and
Financial Services:

4 1. To develop a pilot energy savings project using
performance-based contracts with energy service companies to
6 achieve significant energy savings at 10 state facilities;

8 2. To report annually to the Joint Standing Committee on
Utilities and Energy on the status of plans or efforts to achieve
10 the energy savings goal and of the pilot energy savings project;
and

12 3. To provide a report to the Joint Standing Committee on
14 Utilities and Energy by January 1, 2001 detailing how it has
16 complied with the provisions of the Energy Conservation in
Buildings Act in each year since the Act became effective, how it
18 is currently assessing and addressing energy conservation in the
buildings it manages and a proposed plan for achieving the goal
20 established in the Maine Revised Statutes, Title 5, section 1770.

This amendment also adds a fiscal note to the bill.

COMMITTEE AMENDMENT