

HOUSE RESEARCH

Bill Summary

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Overview

Authorizes the commissioner of administration to enter into guaranteed savings contracts to reduced utility or operating costs.

Section

1 **Guaranteed savings contracts.** Authorizes the commissioner of administration to enter into guaranteed savings contracts to reduce utility or operating costs. Requires providers under these contracts to issue a report summarizing costs of installation and remodeling, and estimates of the amounts by which utility or operating costs will be reduced. Provides that the commissioner may enter into contracts under this section if the commissioner finds that: (1) the amount spent on utility cost-savings measures is not likely to exceed the amount to be saved in utility and operation costs over 15 years from installation; and (2) the provider guarantees that the utility or operating cost savings will meet or exceed the costs of the system. The guaranteed savings contract may provide for payments over a period up to 15 years.

Authorizes the commissioner to enter into installment payment contracts for the purchase and installation of utility cost-savings conservation measures. The contract must provide for payments of not less than 1/15 of the price to be paid within two years, and the remaining costs to be paid within 15 years of the first operation.

Specifies conditions under which the commissioner may contribute funds for capital cost avoidance for guaranteed savings contracts. This authority can be used only if savings are guaranteed, and if equipment that is replaced has exceeded its useful life or is deemed in need of replacement.

