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FISCAL IMPACT STATEMENT

LS 6301

BILL NUMBER: HB 1254

NOTE PREPARED: Jan 29, 2009

BILL AMENDED: Jan 27, 2009

SUBJECT: Energy Savings Contracts.

FIRST AUTHOR: Rep. Thompson

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that the maximum term of a guaranteed energy cost savings contract or utility efficiency program is 20 years. (Current law provides for maximum terms of 10 and 15 years.)

Effective Date: July 1, 2009.

Explanation of State Expenditures: The bill would allow the state to fund larger energy savings projects through the use of an energy savings contract. Currently, an energy savings contract must include a guarantee from the provider that the energy cost savings and or operational cost savings from the project will meet or exceed the cost of the project not later than 10 years from the date the installation is completed. The projects could be about 2 times the size of current projects.

Explanation of State Revenues:

Explanation of Local Expenditures: The bill would allow local units to fund larger energy savings projects through the use of an energy savings contract or participate in a utility efficiency program. Currently, an energy savings contract must include a guarantee from the provider that the energy cost savings and or operational cost savings from the project will meet or exceed the cost of the project not later than 15 years from the date the installation is completed. The energy savings projects or energy contracts relating to the alteration of water or wastewater could be about 1 1/3 times the size of current projects, and other efficiency programs could be about 2 times the size of current programs.

Explanation of Local Revenues:

State Agencies Affected: All

Local Agencies Affected: All

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.