

BILL ANALYSIS

Senate Research Center

H.B. 3530
By: Holzheuser (Cain)
State Affairs
5-14-97
Engrossed

DIGEST

In 1992, the legislature authorized higher education institutions to enter into performance contracts for energy conservation measures to reduce energy consumption and operating costs at institutional facilities. Existing law does not allow for electrical system improvements which would be more energy efficient. This bill includes electrical system improvements in performance contracts for energy conservation measures and removes certain measures that may impede the contracting process.

PURPOSE

As proposed, H.B. 3530 includes electrical system improvements in performance contracts for energy conservation measures and removes certain measures that may impede the contracting process.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 44.901, Education Code, as follows:

- (a) Makes no changes.
- (b) Provides that a contract to which this section applies includes a contract for the installation of certain items, including electric systems improvements or energy conservation-related improvements or equipment (including improvements or equipment relating to renewable energy).
- (c) Sets forth provisions establishing requirements energy conservation measures are required to meet.
- (d) Requires the person with whom the board of trustees of a school district (board) contracts to be experienced in the design, implementation, and installation of energy conservation measures.
- (e) Requires a person contracting with the board to file a payment and performance bond relating to the installation of energy conservation measures. Redesignated from existing Subsection (c).
- (f) Requires a contract for energy conservation measures to contain provisions pursuant to which the provider of the energy conservation measures guarantees the amount of the savings to be realized by the school district under the contract. Sets forth contractual obligations of a school district, if the term of a contract for energy conservation measures exceeds one year. Redesignated from existing Subsection (d).
- (g) Requires proposals for contracts to state certain information, including return on investment. Redesignated from Subsection (e).

(h) Redesignated from existing Subsection (f).

SECTION 2. Amends Section 51.927, Education Code, to provide that a contract to which this section applies includes a contract for the installation of certain items, including energy conservation-related improvements or equipment (including improvements or equipment related to renewable energy). Requires a contract for energy conservation measures to contain provisions pursuant to which the provider of the energy conservation measures guarantees the amount of the savings to be realized by the institution of higher education under the contract. Requires notice of the request for proposals to be given in the manner provided for in Chapter 2156, Government Code, rather than Section 3.12, Article 601b, V.T.C.S. Requires the Texas Higher Education Coordinating Board (coordinating board), in consultation with the State Energy Conservation Office and the Texas Energy Coordination Council to establish guidelines and an approval process for contracts awarded under this section. Requires the State Energy Conservation Office and the Texas Energy Coordination Council to review the selected proposal before a contract is awarded. Deletes a provision requiring the institution to submit the proposals to the energy management center for review and comment before awarding the contract. Authorizes the State Energy Conservation Office, rather than the energy management center, to provide certain cost-benefit analysis. Redesignates existing subsections. Deletes a provision requiring the coordinating board, in consultation with the energy management center, to establish guidelines and an approval process for energy conservation measures.

SECTION 3. Amends Chapter 2166I, Government Code, by adding Section 2166.406, as follows:

Sec. 2166.406. ENERGY CONSERVATION MEASURES. Sets forth provisions authorizing the governing body of a state agency to enter into certain contracts relating to energy conservation measures. Sets forth provisions regarding contracts to be entered by the agency. Requires the legislature to base an agency's appropriation for energy costs during the fiscal year based on certain criteria.

SECTION 4. Emergency clause.

Effective date: upon passage.