

**First Regular Session
Seventy-first General Assembly
STATE OF COLORADO**

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 17-1056.01 Esther van Mourik x4215

SENATE BILL 17-252

SENATE SPONSORSHIP

Tate,

HOUSE SPONSORSHIP

Coleman and Liston,

Senate Committees
Local Government

House Committees
Local Government

A BILL FOR AN ACT

101 **CONCERNING THE AUTHORITY OF A BOARD OF ANY POLITICAL**
102 **SUBDIVISION TO ENTER INTO CONTRACTS FOR UTILITY COST**
103 **SAVINGS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Current law allows boards of political subdivisions to enter into energy cost-savings contracts for utility cost savings. Utility cost savings are defined in law to include an installation, modification, or service that is designed to reduce energy consumption and related operating costs in buildings and other facilities.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

HOUSE
3rd Reading Unamended
April 28, 2017

HOUSE
2nd Reading Unamended
April 27, 2017

SENATE
3rd Reading Unamended
March 31, 2017

SENATE
Amended 2nd Reading
March 28, 2017

The bill specifies that the boards may also enter into energy cost-savings contracts for increasing meter accuracy, which is defined as a utility cost-savings measure.

The bill also changes the definition of "operation and maintenance cost savings" to clarify that the calculation must be made on a net basis.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 29-12.5-101, **amend**
3 the introduction portion, (3)(e), (4.5), (9) introductory portion, and (9)(p);
4 and **add** (4.1) and (4.3) as follows:

5 **29-12.5-101. Definitions.** As used in this ~~article~~ ARTICLE 12.5:

6 (3) "Energy performance contract" means a contract for
7 evaluations, recommendations, or implementation of one or more energy
8 saving measures designed to produce utility costs savings, operation and
9 maintenance cost savings, or vehicle fleet operational and fuel cost
10 savings, which contract:

11 (e) Provides that, if all payments, except payments for
12 maintenance and repairs and obligations on the termination of the contract
13 prior to expiration, made by such board during any year subject to the
14 guarantee in ~~paragraph (c) of this subsection (3)~~ SUBSECTION (3)(c) OF
15 THIS SECTION exceed the sum of energy cost savings and operation and
16 maintenance COST savings for that year, such party shall forfeit to such
17 board that portion of such moneys equal to the amount by which such
18 payments exceeded such savings.

19 (4.1) "INCREASE IN METER ACCURACY" MEANS A GUARANTEED
20 INCREASE IN EFFICIENCY OR ACCURACY OF UTILITY METERING OR RELATED
21 EQUIPMENT, SYSTEMS, OR PROCESSES OR PROCEDURES THAT IS
22 CALCULATED OR DETERMINED BY USING APPLICABLE INDUSTRY
23 ENGINEERING STANDARDS.

1 (4.3) "METER GUARANTEE" MEANS A STIPULATED OR AGREED
2 UPON INCREASE IN BILLABLE REVENUES TO RESULT FROM THE
3 GUARANTEED INCREASE IN METER ACCURACY, BASED ON STIPULATED OR
4 AGREED UPON COMPONENTS OF A BILLABLE REVENUE CALCULATION IN A
5 UTILITY COST-SAVINGS MEASURE.

6 (4.5) "Operation and maintenance cost savings" means a
7 measurable decrease in NET operation and maintenance costs that is a
8 direct result of the implementation of one or more utility cost savings
9 measures or one or more vehicle fleet operational and fuel cost-savings
10 measures. The savings shall be calculated in comparison with an
11 established baseline of NET operation and maintenance costs.

12 (9) "Utility cost-savings measure" means an installation,
13 modification, or service that is designed to reduce energy consumption
14 ~~and~~ OR TO INCREASE related ~~operating costs~~ OPERATION AND
15 MAINTENANCE COST SAVINGS in buildings and other facilities and
16 includes, but is not limited to, the following:

17 (p) Services to reduce utility costs OR TO INCREASE OPERATION
18 AND MAINTENANCE COST SAVINGS by identifying utility errors, ~~and~~
19 optimizing rate schedules, OR INCREASING METER ACCURACY; or

20 **SECTION 2.** In Colorado Revised Statutes, **amend** 29-12.5-104
21 as follows:

22 **29-12.5-104. Monitoring and reporting of energy and cost**
23 **savings.** The board shall monitor the reductions in energy consumption
24 and cost savings attributable to the energy saving measures financed
25 pursuant to section 29-12.5-103 and shall annually prepare a report
26 documenting such reductions, ~~and~~ savings, OR METER GUARANTEE for the
27 first ~~two~~ THREE years of the contract. The report shall be certified by an

1 architect or engineer independent of any person, firm, or corporation that
2 provided goods or services to the board in connection with the energy
3 saving measures that are the subject of the report.

4 **SECTION 3. Act subject to petition - effective date -**
5 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
6 the expiration of the ninety-day period after final adjournment of the
7 general assembly (August 9, 2017, if adjournment sine die is on May 10,
8 2017); except that, if a referendum petition is filed pursuant to section 1
9 (3) of article V of the state constitution against this act or an item, section,
10 or part of this act within such period, then the act, item, section, or part
11 will not take effect unless approved by the people at the general election
12 to be held in November 2018 and, in such case, will take effect on the
13 date of the official declaration of the vote thereon by the governor.

14 (2) This act applies to energy cost-savings contracts or other
15 indebtedness to finance energy saving measures entered into pursuant to
16 article 12.5 of title 29, Colorado Revised Statutes, on or after the
17 applicable effective date of this act.