BILL ANALYSIS

Senate Research Center 77R5926 DAK-D S.B. 1494 By: Brown, J. E. "Buster" Natural Resources 4/16/2001 As Filed

DIGEST AND PURPOSE

Currently, state and local governments can enter into performance contracts for energy conservation. As proposed, S.B. 1494 allows water conservation projects to be eligible for performance contracting as a separate item. S.B. 1494 also provides for state agencies to participate in water and energy conservation programs.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

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

Sec. 44.901. New heading: ENERGY OR WATER CONSERVATION MEASURES.

SECTION 2. Amends Sections 44.901(a)-(g), Education Code, to authorize the board of trustees of a school district to enter into a contract for energy or water conservation measures to reduce energy or water consumption or operating costs of school facilities in accordance with this section.

(b) Provides that a contract to which this section applies includes a contract for the installation of certain equipment.

(c) Requires all energy or water conservation measures to comply with plumbing and certain other regulations and codes. Makes a conforming change.

(d) Requires the person with whom the board contracts to be experienced in certain energy or water conservation measures addressed by the contract.

(e) Makes conforming changes.

(f) Makes conforming changes.

(g) Provides that if the term of a contract for energy or water conservation measures exceeds one year, the school district's contractual obligations is prohibited, during a certain period, from exceeding the total energy, water, wastewater, and operating cost savings, including but not limited to certain cost savings. Makes conforming changes.

SECTION 3. Amends the heading to Section 51.927, Education Code, as follows:

Sec. 51.927. New heading: ENERGY OR WATER CONSERVATION MEASURES.

SECTION 4. Amends Sections 51.927(a)-(h) and (l), Education Code, as follow:

(b) Provides that a contract to which this section applies includes a contract for the installation of certain equipment.

- (c) Makes conforming changes.
- (d) Makes conforming changes.
- (e) Makes conforming changes.
- (f) Makes conforming changes.
- (g) Makes conforming changes.
- (h) Makes conforming changes.
- (l) Makes conforming changes.

SECTION 5. Amends the heading to Chapter 302, Local Government Code, as follows:

CHAPTER 302. ENERGY OR WATER CONSERVATION MEASURES

FOR LOCAL GOVERNMENTS

SECTION 6. Amends Sections 302.001-302.004, Local Government Code, as follows:

Sec. 302.001. DEFINITION. Defines "local government." Makes conforming changes.

Sec. 302.002. New heading: ENERGY OR WATER CONSERVATION MEASURES.

(a) Makes conforming changes.

(b) Provides that a contract authorized under this chapter includes a contract for the installation of certain equipment.

(c) Makes conforming changes.

Sec. 320.003. PAYMENT AND PERFORMANCE BOND. Makes conforming changes.

Sec. 320.004. METHOD OF FINANCING; TERMS OF CONTRACT. Makes conforming changes.

SECTION 7. Amends Section 2166.402, Government Code, as follows:

Sec. 2166.402. New heading: ENERGY OR WATER CONSERVATION STANDARDS FOR ENTITIES OTHERWISE EXCLUDED FROM CHAPTER. (a) Requires the standards to be consistent with certain criteria.

(b) Requires the sate energy conservation office, rather than the management center of the governor's office, to assist a governing body of certain agencies in preparing energy conservation standards.

(c) Requires the Texas Water Development Board (TWDB) to assist the governing body of certain agencies in preparing water conservation standards by providing technical assistance and advice.

SECTION 8. Amends the heading to Section 2166.406, Government Code, as follows:

Sec. 2166.406. ENERGY OR WATER CONSERVATION MEASURES.

SECTION 9. Amends Sections 2166.406(a)-(h), (l), and (m), Government Code, to make conforming changes.

SECTION 10. Amends Chapter 447, Government Code, as follows:

CHAPTER 447: New heading: STATE ENERGY CONSERVATION OFFICE

Sec. 447.001. New heading: ESTABLISHMENT OF OFFICE. Provides that the state energy conservation office, rather than management center, is established in the General Services Commission to promote those policies of the state enumerated in this chapter.

Sec. 447.002. INFORMATION; RULES; PROGRAMS. Requires the state energy conservation office(office) to develop and provide energy and water conservation information for the state. Authorizes the office to make rules relating to the adoption and implementation of energy and water conservation programs to state buildings and facilities. Requires the state energy conservation office to coordinate all water conservation-related activities with the TWDB. Requires the TWDB to perform certain procedures regarding water conservation issues. Makes conforming changes.

Sec. 447.003. LIAISON TO FEDERAL GOVERNMENT. Makes conforming changes. Deletes text regarding the National Energy Extension Service Act.

Sec. 448.004. DESIGN STANDARDS. Makes conforming changes.

Sec. 447.005. New heading: ENERGY AND WATER EFFICIENCY PROJECTS. Makes conforming changes.

Sec. 447.006. OBTAINING DATA. Makes conforming changes.

Sec. 447.007. MODEL CODES. Makes conforming changes.

Sec. 447.008. ADDITIONAL ENERGY AND WATER SERVICES. Authorizes the state energy conservation office to provide additional energy and water services, including certain other criteria. Makes conforming changes.

Sec. 447.009. New heading: ENERGY AND WATER AUDITS. Provides that contracts with private sector firms must comply with all applicable provisions of Chapter 2254 rather than Chapter 654 regarding professional services contracts and are prohibited from being awarded on a contingent fee basis unless a finding that the contract is necessary, reasonable, and prudent is obtained from the office of the governor. Makes conforming changes.

Sec. 447.010. New heading: ENERGY-SAVING AND WATER-SAVING DEVICES OR MEASURES. Makes conforming changes.

Sec. 447.011. New heading: ENERGY AND WATER MANAGEMENT PLANNING. Provides that after other energy-saving and water-saving alternatives are considered, district heating and cooling and on-site generation of electricity is authorized to be considered in planning for certain utility services. Makes conforming changes.

SECTION 11. Effective date: September 1, 2001.