

## **BILL ANALYSIS**

Senate Research Center  
85R6781 JTS-F

S.B. 1382  
By: Hughes  
Business & Commerce  
4/27/2017  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Currently, local governmental entities and schools can enter into a performance contract to install more efficient systems or equipment that will result in long-term savings in energy, water, or other costs. Under these contracts, local governments can obtain financing to fund construction based on a guarantee of future savings. Interested parties assert that future cost savings from maintenance and ongoing operations should be considered in implementing performance contracting. This will allow local governments to save more money over time by investing in cost-saving efficiency measures.

As proposed, S.B. 1382 amends current law relating to the use of local government energy savings performance contracts for measures that avoid expected future operating or maintenance costs.

### **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 Section 302.001(3), Local Government Code, to redefine "energy savings" to include an estimated amount of avoided expected future operating and maintenance costs.

SECTION 2. Effective date: upon passage or September 1, 2017.