

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1313 Session of 2015

INTRODUCED BY WHITE, SCHWANK, FOLMER, BARTOLOTTA, MENSCH, YUDICHAK AND RESCHENTHALER, JUNE 14, 2016

SENATOR FOLMER, STATE GOVERNMENT, AS AMENDED, JUNE 28, 2016

AN ACT

1 Amending Title 62 (Procurement) of the Pennsylvania Consolidated
2 Statutes, in contract clauses and preference provisions,
3 further providing for definitions, FOR CONTRACT PROVISIONS <--
4 and for funding.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Paragraphs (4) and (13) of the definition of
8 "energy conservation measure" in section 3752 of Title 62 of the
9 Pennsylvania Consolidated Statutes are amended and the section
10 is amended by adding definitions to read:

11 § 3752. Definitions.

12 The following words and phrases when used in this subchapter
13 shall have the meanings given to them in this section unless the
14 context clearly indicates otherwise:

15 \* \* \*

16 "Energy conservation measure." A program, facility
17 alteration or technology upgrade designed to reduce energy,
18 water, wastewater or other consumption or operating costs. The
19 term may include, without limitation:

1 \* \* \*

2 (4) Heating, ventilating or air conditioning system  
3 modifications [or], extension of systems to new or renovated  
4 areas or system replacements.

5 \* \* \*

6 (13) [Indoor air quality improvements.] Systems that  
7 provide indoor air quality improvements or improved climate  
8 control.

9 \* \* \*

10 "Energy-related cost savings." As follows:

11 (1) A cost saving, except for an energy saving, that  
12 results from the implementation of an energy conservation  
13 measure.

14 (2) Sources of energy-related cost savings shall include  
15 only the following:

16 (i) Avoided current or planned capital expense.

17 (ii) Transfer of responsibility for operating and  
18 maintaining and equipment repair and replacement to the  
19 energy savings company.

20 (iii) Avoided renovation, renewal or repair costs as  
21 a result of replacing old and unreliable equipment and  
22 systems or thermal improvements to the building envelope.

23 "Energy savings company." A commercial or nonprofit business  
24 providing energy solutions, including designs and implementation  
25 of energy savings projects, retrofitting, energy conservation,  
26 energy infrastructure outsourcing, power generation and energy  
27 supply and risk management.

28 \* \* \*

29 "Operating costs." As follows:

30 (1) Reductions in expenses, including energy-related

1 cost savings, related to energy and water consuming equipment  
2 or the building envelope.

3 (2) The term includes:

4 (i) Operating and maintenance savings.

5 (ii) Capital funds budgeted for projects that, due  
6 to the energy savings company project, will not be  
7 necessary.

8 \* \* \*

9 Section 2. ~~Section~~ SECTIONS 3754(A) AND 3755(c) of Title 62 <--  
10 ~~is~~ ARE amended to read: <--

11 § 3754. CONTRACT PROVISIONS. <--

12 (A) GENERAL RULE.--A GUARANTEED ENERGY SAVINGS CONTRACT MAY  
13 PROVIDE THAT ALL PAYMENTS, EXCEPT OBLIGATIONS ON TERMINATION OF  
14 THE CONTRACT BEFORE ITS SCHEDULED EXPIRATION, SHALL BE MADE OVER  
15 A PERIOD OF TIME. EVERY GUARANTEED ENERGY SAVINGS CONTRACT THAT  
16 REQUIRES PAYMENTS OVER A PERIOD OF TIME SHALL PROVIDE THAT,  
17 AFTER THE INITIAL YEAR OF THE CONTRACT, THE SAVINGS IN EVERY  
18 SUBSEQUENT YEAR ARE GUARANTEED TO THE EXTENT NECESSARY TO MAKE  
19 PAYMENTS UNDER THE CONTRACT DURING THAT YEAR. A GUARANTEED  
20 ENERGY SAVINGS CONTRACT SHALL EXPRESSLY STATE THE FINANCIAL  
21 OBLIGATIONS THAT AN ENERGY SAVINGS COMPANY WILL REQUIRE USERS TO  
22 PAY UPON A DECLARATION OF SAVINGS.

23 \* \* \*

24 § 3755. Funding.

25 \* \* \*

26 (c) Grants, subsidies or other payments.--Grants, subsidies  
27 or other payments from the Commonwealth to a governmental unit  
28 shall not be reduced as a result of energy conservation measure  
29 cost savings obtained as a result of a guaranteed energy savings  
30 contract during the life of the contract.

1 Section 3. This act shall take effect in 60 days.