

**First Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO**

REREVISED

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

LLS NO. 13-0934.01 Nicole Myers x4326

SENATE BILL 13-254

SENATE SPONSORSHIP

Jones,

HOUSE SPONSORSHIP

Tyler, Levy

Senate Committees

Agriculture, Natural Resources, & Energy

House Committees

Transportation & Energy

HOUSE
3rd Reading Unamended
May 3, 2013

A BILL FOR AN ACT

101 **CONCERNING AN EXPANSION OF THE UTILITY COST-SAVINGS MEASURES**
102 **LAW TO ALLOW A GOVERNMENTAL ENTITY TO ENTER INTO A**
103 **VEHICLE FLEET MAINTENANCE AND FUEL COST-SAVINGS**
104 **CONTRACT.**

HOUSE
2nd Reading Unamended
May 2, 2013

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://www.leg.state.co.us/billsummaries>.)

SENATE
3rd Reading Unamended
April 23, 2013

Current law allows a state agency or political subdivision to enter into a contract for analysis and recommendations regarding energy

SENATE
Amended 2nd Reading
April 22, 2013

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.

conservation measures that would increase utility cost savings and operation and maintenance cost savings in buildings or other facilities owned or rented by the state agency or political subdivision. The bill expands current law to allow a state agency or political subdivision to enter into a contract for such analysis and recommendations regarding energy conservation measures that would significantly increase vehicle operational and fuel cost savings in state or political subdivision fleet vehicles.

Current law also allows a state agency or political subdivision to enter into a utility cost-savings contract with any person or entity experienced in the design and implementation of utility cost-savings measures for buildings or other facilities if the energy analysis and recommendations indicate that annual payments for utility cost-savings measures are expected to be equal to or less than the sum of utility and operation and maintenance cost savings achieved by implementation of such measures. The bill expands current law to allow a state agency or political subdivision to enter into a vehicle fleet operational and fuel cost-savings contract if the energy analysis and recommendations indicate that the annual payments for vehicle fleet operational and fuel cost-savings measures are expected to be equal to or less than the sum of the vehicle fleet cost savings achieved by the implementation of such measures.

In addition, the bill clarifies that special districts are authorized to enter into such cost-savings contracts.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-30-2001, **amend**
3 (1), (2), (3) introductory portion, and (3) (a); and **add** (1.3), (1.5), (8), (9),
4 and (10) as follows:

5 **24-30-2001. Definitions.** As used in this part 20, unless the
6 context otherwise requires:

7 (1) ~~"Energy performance contract" means a contract for~~
8 ~~evaluations, recommendations, or implementation of one or more utility~~
9 ~~cost-savings measures designed to produce utility cost savings or~~
10 ~~operation and maintenance cost savings, which contract:~~

11 (a) ~~Sets forth savings attributable to the calculated utility cost~~

1 savings or operation and maintenance cost savings for each year during
2 the contract period;

3 (b) Provides that the amount of actual savings for each year during
4 the contract period shall exceed annual contract payments, including
5 maintenance costs, to be made during such year by the state agency
6 contracting for the utility cost-savings measures; except that, for the
7 purposes of this part 20 only, the term "annual contract payments" does
8 not include moneys received by the state from rebates, gifts, grants, or
9 donations specifically designated by the gifting, granting, or donating
10 party for the design or implementation of a utility cost-savings measure
11 or state moneys that have been specifically appropriated in a distinct line
12 item, or, in the case of the department of transportation, otherwise set
13 aside in the department's budget, for the design or implementation of a
14 utility cost-savings measure that is wholly addressed within the scope of
15 the utility cost-savings contract;

16 (c) Requires the party entering into the energy performance
17 contract with the state agency to provide a written guarantee that the sum
18 of utility cost savings and operation and maintenance cost savings for
19 each year during the first three years of the contract period shall not be
20 less than the calculated savings for that year described in paragraph (a) of
21 this subsection (1); and

22 (d) Requires payments by a state agency to be made within twelve
23 years after the date of the execution of the contract; except that the
24 maximum term of the payments shall be less than the cost-weighted
25 average useful life of utility cost-savings equipment for which the
26 contract is made, not to exceed twenty-five years. "ENERGY
27 COST-SAVINGS CONTRACT" MEANS A UTILITY COST-SAVINGS CONTRACT OR

1 A VEHICLE FLEET OPERATIONAL AND FUEL COST-SAVINGS CONTRACT.

2 (1.3) "ENERGY COST-SAVINGS MEASURE" MEANS A UTILITY
3 COST-SAVINGS MEASURE OR A VEHICLE FLEET OPERATIONAL AND FUEL
4 COST-SAVINGS MEASURE.

5 (1.5) "ENERGY PERFORMANCE CONTRACT" MEANS A CONTRACT
6 FOR EVALUATIONS, RECOMMENDATIONS, OR IMPLEMENTATION OF ONE OR
7 MORE ENERGY COST-SAVINGS MEASURES DESIGNED TO PRODUCE UTILITY
8 COST SAVINGS, OPERATION AND MAINTENANCE COST SAVINGS, OR VEHICLE
9 FLEET OPERATIONAL AND FUEL COST SAVINGS, WHICH CONTRACT:

10 (a) SETS FORTH SAVINGS ATTRIBUTABLE TO THE CALCULATED
11 ENERGY COST SAVINGS OR OPERATION AND MAINTENANCE COST SAVINGS
12 FOR EACH YEAR DURING THE CONTRACT PERIOD;

13 (b) PROVIDES THAT THE AMOUNT OF ACTUAL SAVINGS FOR EACH
14 YEAR DURING THE CONTRACT PERIOD SHALL EXCEED ANNUAL CONTRACT
15 PAYMENTS, INCLUDING MAINTENANCE COSTS, TO BE MADE DURING SUCH
16 YEAR BY THE STATE AGENCY CONTRACTING FOR THE ENERGY
17 COST-SAVINGS MEASURES; EXCEPT THAT, FOR THE PURPOSES OF THIS PART
18 20 ONLY, THE TERM "ANNUAL CONTRACT PAYMENTS" DOES NOT INCLUDE
19 MONEYS RECEIVED BY THE STATE FROM REBATES, GIFTS, GRANTS, OR
20 DONATIONS SPECIFICALLY DESIGNATED BY THE GIFTING, GRANTING, OR
21 DONATING PARTY FOR THE DESIGN OR IMPLEMENTATION OF AN ENERGY
22 COST-SAVINGS MEASURE OR STATE MONEYS THAT HAVE BEEN
23 SPECIFICALLY APPROPRIATED IN A DISTINCT LINE ITEM, OR, IN THE CASE OF
24 THE DEPARTMENT OF TRANSPORTATION, OTHERWISE SET ASIDE IN THE
25 DEPARTMENT'S BUDGET, FOR THE DESIGN OR IMPLEMENTATION OF AN
26 ENERGY COST-SAVINGS MEASURE THAT IS WHOLLY ADDRESSED WITHIN
27 THE SCOPE OF THE ENERGY COST-SAVINGS CONTRACT;

1 (c) REQUIRES THE PARTY ENTERING INTO THE ENERGY
2 PERFORMANCE CONTRACT WITH THE STATE AGENCY TO PROVIDE A
3 WRITTEN GUARANTEE THAT THE SUM OF ENERGY COST SAVINGS AND
4 OPERATION AND MAINTENANCE COST SAVINGS FOR EACH YEAR DURING
5 THE FIRST THREE YEARS OF THE CONTRACT PERIOD SHALL NOT BE LESS
6 THAN THE CALCULATED SAVINGS FOR THAT YEAR DESCRIBED IN
7 PARAGRAPH (a) OF THIS SUBSECTION (1.5); AND

8 (d) REQUIRES PAYMENTS BY A STATE AGENCY TO BE MADE WITHIN
9 TWELVE YEARS AFTER THE DATE OF THE EXECUTION OF THE CONTRACT;
10 EXCEPT THAT THE MAXIMUM TERM OF THE PAYMENTS SHALL BE LESS
11 THAN THE COST-WEIGHTED AVERAGE USEFUL LIFE OF ENERGY
12 COST-SAVINGS EQUIPMENT FOR WHICH THE CONTRACT IS MADE, NOT TO
13 EXCEED TWENTY-FIVE YEARS.

14 (2) "Operation and maintenance cost savings" means a measurable
15 decrease in operation and maintenance costs that is a direct result of the
16 implementation of one or more utility cost-savings measures OR ONE OR
17 MORE VEHICLE FLEET OPERATIONAL AND FUEL COST-SAVINGS MEASURES.
18 Such savings shall be calculated in comparison with an established
19 baseline of operation and maintenance costs.

20 (3) "Shared-savings contract" means a contract for one or more
21 ~~utility~~ ENERGY cost-savings measures that do not involve capital
22 equipment projects, which contract:

23 (a) Provides that all payments to be made by the state agency
24 contracting for the ~~utility~~ ENERGY cost-savings measures shall be a stated
25 percentage of calculated savings of energy costs attributable to such
26 measures over a defined period of time and that such payments shall be
27 made only to the extent that such savings occur; except that this

1 paragraph (a) shall not apply to payments for maintenance and repairs and
2 obligations on termination of the contract prior to its expiration;

3 (8) "VEHICLE FLEET OPERATIONAL AND FUEL COST SAVINGS"
4 MEANS A MEASURABLE DECREASE IN THE OPERATION AND MAINTENANCE
5 COSTS OF STATE VEHICLES THAT IS ASSOCIATED WITH FUEL OR
6 MAINTENANCE BASED ON HIGHER EFFICIENCY RATINGS OR ALTERNATIVE
7 FUELING METHODS, INCLUDING BUT NOT LIMITED TO SAVINGS FROM THE
8 REDUCTION IN MAINTENANCE REQUIREMENTS AND A REDUCTION IN OR THE
9 ELIMINATION OF PROJECTED FUEL PURCHASE EXPENSES AS A DIRECT
10 RESULT OF INVESTMENT IN HIGHER EFFICIENCY OR ALTERNATIVE FUEL
11 VEHICLES OR VEHICLE OR CHARGING INFRASTRUCTURE.

12 (9) "VEHICLE FLEET OPERATIONAL AND FUEL COST-SAVINGS
13 CONTRACT" MEANS AN ENERGY PERFORMANCE CONTRACT OR
14 SHARED-SAVINGS CONTRACT OR ANY OTHER AGREEMENT IN WHICH
15 VEHICLE FLEET OPERATIONAL AND FUEL COST SAVINGS ARE USED TO PAY
16 FOR THE COST OF THE VEHICLE OR ASSOCIATED CAPITAL INVESTMENTS.

17 (10) "VEHICLE FLEET OPERATIONAL AND FUEL COST-SAVINGS
18 MEASURE" MEANS ANY INSTALLATION, MODIFICATION, OR SERVICE THAT
19 IS DESIGNED TO REDUCE ENERGY CONSUMPTION AND RELATED OPERATING
20 COSTS IN VEHICLES AND INCLUDES, BUT IS NOT LIMITED TO, THE
21 FOLLOWING:

22 (a) VEHICLE PURCHASE OR LEASE COSTS EITHER IN FULL OR IN
23 PART;

24 (b) CHARGING OR FUELING INFRASTRUCTURE TO APPROPRIATELY
25 CHARGE OR FUEL ALTERNATIVE FUEL VEHICLES INCLUDED IN AN ENERGY
26 COST-SAVINGS CONTRACT.

27 **SECTION 2.** In Colorado Revised Statutes, **amend 24-30-2002**

1 as follows:

2 **24-30-2002. Contracts for energy analysis and**
3 **recommendations.** (1) Subject to subsection (2) of this section, AND IN
4 ACCORDANCE WITH SECTION 24-30-1104 (2), WHERE APPLICABLE, a state
5 agency may contract with any entity or person experienced in the design
6 and implementation of energy conservation for an energy analysis and
7 recommendations pertaining to measures that would significantly
8 increase:

9 (a) Utility cost savings and operation and maintenance cost
10 savings in buildings or other facilities owned or rented by the state
11 agency; OR

12 (b) VEHICLE FLEET OPERATIONAL AND FUEL COST SAVINGS IN
13 STATE FLEET VEHICLES.

14 (2) The state personnel director or the state personnel director's
15 designee may authorize a state agency to enter into such a contract. The
16 contract shall be negotiated by the state agency pursuant to the
17 negotiation requirements described in part 14 of this article; except that
18 direct, indirect, overhead, and other costs and rates may be solicited and
19 considered in the evaluation of qualifications and included in any
20 resulting contract. The contract may include provisions that define the
21 rate, amount, and nature of costs that may be proposed in any subsequent
22 ~~utility~~ ENERGY cost-savings contract, that describe the content of the
23 analysis, and that reserve the option of the state agency to negotiate a
24 suitable ~~utility~~ ENERGY cost-savings contract.

25 (3) Such energy analysis and recommendations shall include THE
26 FOLLOWING, AS APPLICABLE:

27 (a) Estimates of the amounts by which utility cost savings and

1 operation and maintenance cost savings would increase and estimates of
2 all costs of such utility cost-savings measures or energy-savings
3 measures, including, but not limited to, itemized costs of design,
4 engineering, equipment, materials, installation, maintenance, repairs, and
5 debt service; OR

6 (b) ESTIMATES OF THE AMOUNTS BY WHICH VEHICLE FLEET
7 OPERATIONAL AND FUEL COST SAVINGS WOULD INCREASE AND ESTIMATES
8 OF ALL COSTS OF SUCH VEHICLE FLEET OPERATIONAL AND FUEL
9 COST-SAVINGS MEASURES.

10 (4) Payment by a state agency for an energy analysis and
11 recommendations contract may be made from moneys appropriated to the
12 state agency for operating expenses or utilities, AS APPLICABLE, or
13 payments may be deferred and incorporated into a subsequent ~~utility~~
14 ENERGY cost-savings contract.

15 **SECTION 3.** In Colorado Revised Statutes, 24-30-2003, **amend**
16 (1), (2), (3), (4), (5), (8), (9), and (10) as follows:

17 **24-30-2003. Energy cost-savings contracts.** (1) A state agency
18 may enter into a ~~utility~~ AN ENERGY cost-savings contract with any person
19 or entity experienced in the design and implementation of utility
20 cost-savings measures for buildings or other facilities, WITH ANY PERSON
21 OR ENTITY EXPERIENCED IN THE CALCULATION AND ANALYSIS OF VEHICLE
22 FLEET OPERATIONAL AND FUEL COST SAVINGS, or with the entity or person
23 who performed the energy analysis and recommendations pursuant to
24 section 24-30-2002 if:

25 (a) (I) IN THE CASE OF A UTILITY COST-SAVINGS CONTRACT, the
26 energy analysis and recommendations made pursuant to section
27 24-30-2002 indicate that the expected annual contract payments required

1 under the utility cost-savings contract and any additional maintenance
2 costs for one or more utility cost-savings measures are expected to be
3 equal to or less than the sum of the utility cost savings and operation and
4 maintenance cost savings achieved by the implementation of such
5 measures on an annual basis; ~~and~~ OR

6 (II) IN THE CASE OF A VEHICLE FLEET OPERATIONAL AND FUEL
7 COST-SAVINGS CONTRACT, THE ENERGY ANALYSIS AND
8 RECOMMENDATIONS MADE PURSUANT TO SECTION 24-30-2002 INDICATE
9 THAT THE EXPECTED ANNUAL CONTRACT PAYMENTS REQUIRED UNDER THE
10 VEHICLE FLEET OPERATIONAL AND FUEL COST-SAVINGS CONTRACT FOR
11 ONE OR MORE VEHICLE FLEET OPERATIONAL AND FUEL COST-SAVINGS
12 MEASURES ARE EXPECTED TO BE EQUAL TO OR LESS THAN THE SUM OF THE
13 VEHICLE FLEET COST SAVINGS ACHIEVED BY THE IMPLEMENTATION OF
14 SUCH MEASURES ON AN ANNUAL BASIS; AND

15 (b) The state personnel director or the director's designee, WITH
16 INPUT FROM THE DIRECTOR OF THE STATE ENERGY OFFICE, pursuant to
17 criteria contained in procedures established by ~~such~~ THE STATE
18 PERSONNEL director, approves the energy analysis and recommendations
19 made pursuant to section 24-30-2002.

20 (2) (a) Except as provided in paragraph (b) of this subsection (2),
21 ~~a utility~~ AN ENERGY cost-savings contract shall be negotiated by the state
22 agency pursuant to the negotiation requirements described in part 14 of
23 this article.

24 (b) The negotiation requirements described in part 14 of this
25 article and any other state competitive bidding or procurement provision
26 shall not apply to a state agency that enters into ~~a utility~~ AN ENERGY
27 cost-savings contract with the entity or person who performed the energy

1 analysis for and made recommendations to the state agency pursuant to
2 section 24-30-2002.

3 (3) ~~A utility~~ AN ENERGY cost-savings contract may include
4 appropriate lease-purchase or other authorized financing agreements.

5 (4) The legislative authorization required by section 24-82-801 (1)
6 shall not apply to a lease-purchase agreement in ~~a utility~~ AN ENERGY
7 cost-savings contract and no subsequent legislative authorization shall be
8 required for any payment made pursuant to such an agreement.

9 (5) Payments by a state agency required under ~~a utility~~ AN ENERGY
10 cost-savings contract may be made from moneys appropriated to the state
11 agency for operating expenses or utilities appropriations available to the
12 state agency at the time the contract payments are due.

13 (8) All savings realized as a result of ~~a utility~~ AN ENERGY
14 cost-savings contract that are in excess of the annual calculated savings
15 by such contract may be utilized as provided in section 24-75-108 (3).

16 (9) The ~~utility~~ ENERGY cost-savings contracts authorized by this
17 section shall provide that all of the obligations of the state under such
18 contracts shall be subject to the action of the general assembly in annually
19 making moneys available for all payments thereunder and that the
20 obligations shall not be deemed or construed as creating an indebtedness
21 of the state within the meaning of any provision of the state constitution
22 or the laws of the state concerning or limiting the creation of indebtedness
23 by the state and shall not constitute a multiple fiscal-year direct or indirect
24 debt or other financial obligation of the state within the meaning of
25 section 20 (4) of article X of the constitution.

26 (10) The state personnel director may establish procedures
27 containing criteria for authorization of ~~utility~~ ENERGY cost-savings

1 contracts.

2 **SECTION 4.** In Colorado Revised Statutes, 24-75-108, **amend**
3 (3) (b) as follows:

4 **24-75-108. Intradepartmental transfers between**
5 **appropriations - repeal.** (3) (b) Any savings realized ~~in a utilities item~~
6 ~~resulting from a utility~~ AN ENERGY cost-savings contract pursuant to
7 section 24-30-2003 may be transferred to an operating expense item for
8 the purpose of making an annual payment on a lease-purchase agreement
9 under such contract.

10 **SECTION 5.** In Colorado Revised Statutes, 29-12.5-101, **amend**
11 (3) introductory portion, (3) (a), (3) (b), (3) (c), (3) (e), (3) (h), (4), (4.5),
12 and (5); and **add** (2.5), (10), (11), and (12) as follows:

13 **29-12.5-101. Definitions.** As used in this article:

14 (2.5) "ENERGY COST-SAVINGS CONTRACT" MEANS A UTILITY
15 COST-SAVINGS CONTRACT OR A VEHICLE FLEET OPERATIONAL AND FUEL
16 COST-SAVINGS CONTRACT.

17 (3) "Energy performance contract" means a contract for
18 evaluations, recommendations, or implementation of one or more energy
19 saving measures designed to produce utility costs savings, ~~or~~ operation
20 and maintenance cost savings, OR VEHICLE FLEET OPERATIONAL AND FUEL
21 COST SAVINGS, which contract:

22 (a) Sets forth savings attributable to the calculated ~~utility~~ ENERGY
23 cost savings or operation and maintenance cost savings for each year
24 during the contract period;

25 (b) Provides that the amount of actual savings for each year during
26 the contract period shall exceed annual contract payments, including
27 maintenance costs, to be made during such year by the board contracting

1 for utility ENERGY cost-savings measures;

2 (c) Requires the party entering into such contract with the board
3 to provide a written guarantee that the sum of utility ENERGY cost savings
4 and operation and maintenance cost savings for each year during the first
5 three years of the contract period shall not be less than the calculated
6 savings for that year set forth pursuant to paragraph (a) of this subsection
7 (3);

8 (e) Provides that, if all payments, except payments for
9 maintenance and repairs and obligations on the termination of the contract
10 prior to expiration, made by such board during any year subject to the
11 guarantee in paragraph (c) of this subsection (3) exceed the sum of utility
12 ENERGY cost savings and operation and maintenance savings for that year,
13 such party shall forfeit to such board that portion of such moneys equal
14 to the amount by which such payments exceeded such savings;

15 (h) Requires that the remaining such payments to be made by such
16 board shall be made within twelve years from the date of execution of the
17 contract; except that the maximum term of the payments shall be less than
18 the cost-weighted average useful life of utility ENERGY cost-savings
19 equipment for which the contract is made, not to exceed twenty-five
20 years.

21 (4) "Energy saving measure" means:

22 (a) The acquisition and installation, by purchase, lease,
23 lease-purchase, lease with an option to buy, or installment purchase, of a
24 utility cost-savings measure and any attendant architectural and
25 engineering consulting services; or

26 (b) Architectural and engineering consulting services related to
27 utility cost savings; OR

1 (c) THE ACQUISITION AND INSTALLATION, BY PURCHASE, LEASE,
2 LEASE-PURCHASE, LEASE WITH AN OPTION TO BUY, OR INSTALLMENT
3 PURCHASE OF A VEHICLE FLEET OPERATIONAL AND FUEL COST-SAVINGS
4 MEASURE.

5 (4.5) "Operation and maintenance cost savings" means a
6 measurable decrease in operation and maintenance costs that is a direct
7 result of the implementation of one or more utility cost savings measures
8 OR ONE OR MORE VEHICLE FLEET OPERATIONAL AND FUEL COST-SAVINGS
9 MEASURES. The savings shall be calculated in comparison with an
10 established baseline of operation and maintenance costs.

11 (5) "Political subdivision" means a municipality, county, SPECIAL
12 DISTRICT, or school district.

13 (10) "VEHICLE FLEET OPERATIONAL AND FUEL COST SAVINGS"
14 MEANS A MEASURABLE DECREASE IN THE OPERATION AND MAINTENANCE
15 COSTS OF STATE VEHICLES THAT IS ASSOCIATED WITH FUEL OR
16 MAINTENANCE BASED ON HIGHER EFFICIENCY RATINGS OR ALTERNATIVE
17 FUELING METHODS, INCLUDING BUT NOT LIMITED TO SAVINGS FROM THE
18 REDUCTION IN MAINTENANCE REQUIREMENTS AND A REDUCTION IN OR THE
19 ELIMINATION OF PROJECTED FUEL PURCHASE EXPENSES AS A DIRECT
20 RESULT OF INVESTMENT IN HIGHER EFFICIENCY OR ALTERNATIVE FUEL
21 VEHICLES OR VEHICLE OR CHARGING INFRASTRUCTURE.

22 (11) "VEHICLE FLEET OPERATIONAL AND FUEL COST-SAVINGS
23 CONTRACT" MEANS AN ENERGY PERFORMANCE CONTRACT OR
24 SHARED-SAVINGS CONTRACT OR ANY OTHER AGREEMENT IN WHICH
25 VEHICLE FLEET OPERATIONAL AND FUEL COST SAVINGS ARE USED TO PAY
26 FOR THE COST OF THE VEHICLE OR ASSOCIATED CAPITAL INVESTMENTS.

27 (12) "VEHICLE FLEET OPERATIONAL AND FUEL COST-SAVINGS

1 MEASURE" MEANS ANY INSTALLATION, MODIFICATION, OR SERVICE THAT
2 IS DESIGNED TO REDUCE ENERGY CONSUMPTION AND RELATED OPERATING
3 COSTS IN VEHICLES AND INCLUDES, BUT IS NOT LIMITED TO, THE
4 FOLLOWING:

5 (a) VEHICLE PURCHASE OR LEASE COSTS EITHER IN FULL OR IN
6 PART; AND

7 (b) CHARGING OR FUELING INFRASTRUCTURE TO APPROPRIATELY
8 CHARGE OR FUEL ALTERNATIVE FUEL VEHICLES INCLUDED IN AN ENERGY
9 COST-SAVINGS CONTRACT.

10 **SECTION 6.** In Colorado Revised Statutes, **amend** 29-12.5-102
11 as follows:

12 **29-12.5-102. Contract for analysis and recommendations.**

13 (1) The board of any political subdivision may contract with an architect,
14 professional engineer, or other person experienced in the design and
15 implementation of utility cost-savings measures or energy saving
16 measures for an analysis and recommendations pertaining to such
17 measures that would significantly increase:

18 (a) Utility cost savings and operation and maintenance cost
19 savings in buildings or other facilities owned or rented by the political
20 subdivision; OR

21 (b) VEHICLE FLEET OPERATIONAL AND FUEL COST SAVINGS IN THE
22 POLITICAL SUBDIVISION'S FLEET VEHICLES.

23 (2) Such analysis and recommendations shall include THE
24 FOLLOWING, AS APPLICABLE:

25 (a) Estimates of the amounts by which utility cost savings and
26 operation and maintenance cost savings would increase and estimates of
27 all costs of such utility cost-savings measures or energy saving measures

1 including, but not limited to, itemized costs of design, engineering,
2 equipment, materials, installation, maintenance, repairs, and debt service;
3 OR

4 (b) ESTIMATES OF THE AMOUNTS BY WHICH VEHICLE FLEET
5 OPERATIONAL AND FUEL COST SAVINGS WOULD INCREASE AND ESTIMATES
6 OF ALL COSTS OF SUCH VEHICLE FLEET OPERATIONAL AND FUEL
7 COST-SAVINGS MEASURES.

8 **SECTION 7.** In Colorado Revised Statutes, 29-12.5-103, **amend**
9 (1) and (3) as follows:

10 **29-12.5-103. Financing energy cost-savings measures -**
11 **exception to debt limitations.** (1) If the board, after receiving the
12 analysis and recommendations pursuant to section 29-12.5-102, finds that
13 the amount of money the political subdivision would spend on such ~~utility~~
14 ~~cost-savings measures~~ or energy saving measures is not likely to exceed
15 the amount of money it would save in energy costs over the term of the
16 contract, the board may:

17 (a) Enter into ~~a utility~~ AN ENERGY cost-savings contract with any
18 architect, professional engineer, or other person experienced in the design
19 and implementation of energy saving measures for buildings or other
20 facilities owned or rented by the political subdivision, WITH ANY PERSON
21 OR ENTITY EXPERIENCED IN THE CALCULATION AND ANALYSIS OF VEHICLE
22 FLEET OPERATIONAL AND FUEL COST SAVINGS, or with the entity or person
23 who performed the energy analysis and provided recommendations
24 pursuant to section 29-12.5-102; or

25 (b) Otherwise incur indebtedness to finance ~~utility cost-savings~~
26 ~~measures~~ or energy saving measures.

27 (3) When ~~a utility cost-savings~~ AN ENERGY SAVING measure

1 involves a cogeneration system, the sale of excess cogenerated energy
2 shall be subject to the same state and federal regulatory requirements as
3 the sale of all other cogenerated energy.

4 **SECTION 8.** In Colorado Revised Statutes, **amend** 29-12.5-104
5 as follows:

6 **29-12.5-104. Monitoring and reporting of energy and cost**
7 **savings.** The board shall monitor the reductions in energy consumption
8 and cost savings attributable to the ~~utility cost-savings measures and~~
9 energy saving measures financed pursuant to section 29-12.5-103 and
10 shall annually prepare a report documenting such reductions and savings
11 for the first two years of the contract. The report shall be certified by an
12 architect or engineer independent of any person, firm, or corporation that
13 provided goods or services to the board in connection with the ~~utility~~
14 ~~cost-savings measures or~~ energy saving measures that are the subject of
15 the report.

16 **SECTION 9. Safety clause.** The general assembly hereby finds,
17 determines, and declares that this act is necessary for the immediate
18 preservation of the public peace, health, and safety.