

FILED JAN 14 1999

SENATE FILE  
BY ANGELO

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Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act providing for the establishment of a school energy  
2 conservation measure program.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 18 EDUCATION

1 Section 1. NEW SECTION. 297A.1 DEFINITIONS.

2 For the purposes of this chapter:

3 1. "Energy conservation measure" means any improvement,  
4 repair, or alteration of a building or facility owned or  
5 operated by a school district, or any equipment, fixture, or  
6 furnishing to be added to or used in any such building or  
7 facility that is designed to reduce energy consumption or  
8 operating costs. An energy conservation measure may include  
9 one or more of the following:

10 a. Insulation of the building structure or systems within  
11 the building.

12 b. Storm windows or doors, caulking or weather stripping,  
13 multiglazed windows or doors, heat-absorbing or heat-  
14 reflective glazed and coated window or door systems,  
15 additional glazing, reductions in glass area, or other window  
16 and door system modifications that reduce energy consumption.

17 c. Automated or computerized energy control systems.

18 d. Heating, ventilating, or air conditioning system  
19 modifications or replacements.

20 e. Replacement or modification of lighting fixtures to  
21 increase the energy efficiency of the lighting system without  
22 increasing the overall illumination of a facility, unless an  
23 increase in illumination is necessary to conform to the  
24 applicable state or local building code for the lighting  
25 system after the proposed modifications are made.

26 f. Energy recovery systems.

27 g. Energy conservation measures that provide long-term  
28 operating cost reductions.

29 2. "Guaranteed energy savings contract" means a contract  
30 which provides for all of the following:

31 a. Performance of an energy audit, data collection, and  
32 other related analyses preliminary to the undertaking of  
33 energy conservation measures.

34 b. Evaluation and recommendation of energy conservation  
35 measures.

1 c. Implementation of one or more energy conservation  
2 measures.

3 d. Maintenance of project monitoring and data collection  
4 to verify postinstallation energy consumption and energy-  
5 related operating costs.

6 3. "Qualified provider" means a person or business whose  
7 employees are experienced in the design, implementation, or  
8 installation of energy conservation measures and have  
9 satisfactorily completed at least forty hours of course  
10 instruction dealing with energy conservation measures.

11 4. "Request for proposals" means a negotiated procurement.

12 Sec. 2. NEW SECTION. 297A.2 EVALUATION OF PROPOSALS.

13 1. Prior to entering into a guaranteed energy savings  
14 contract as provided in section 297A.3, a school district  
15 shall announce a request for proposals, and shall evaluate any  
16 sealed proposal from a qualified provider. A request for  
17 proposals shall be announced through at least one public  
18 notice appearing at least ten days before the request date in  
19 a newspaper of general circulation published in the school  
20 district, or if no newspaper is published in the school  
21 district, in a newspaper of general circulation in the area of  
22 the district, from a school district that will administer the  
23 program, requesting innovative solutions and proposals for  
24 energy conservation measures. Proposals submitted shall be  
25 sealed. The request for proposals shall include all of the  
26 following:

27 a. Name and address of the school district.

28 b. Name, address, title, and telephone number of a contact  
29 person for the school district.

30 c. Notice indicating that the school district is  
31 requesting qualified providers to propose energy conservation  
32 measures through a guaranteed energy savings contract.

33 d. Date, time, and place where proposals must be received.

34 e. Evaluation criteria for assessing the proposals.

35 f. Any other stipulations and clarifications the school

1 district may require.

2 The provisions of this chapter applying to school districts  
3 shall also apply to community colleges organized and operated  
4 pursuant to the provisions of chapter 260C.

5 2. The school district shall evaluate any sealed proposal  
6 from a qualified provider. Sealed proposals shall be opened  
7 by a designated member or employee of the school board at a  
8 public meeting during which the contents of the proposals  
9 shall be announced. The evaluation shall analyze the  
10 estimates of all costs of installations, modifications, and  
11 remodeling, including, without limitation, costs of a  
12 preinstallation energy audit or analysis, design, engineering,  
13 installation, maintenance, repairs, debt service, conversions  
14 to a different energy or fuel source, and postinstallation  
15 project monitoring, data collection, and reporting. The  
16 evaluation shall include a detailed analysis of whether the  
17 energy consumed or the operating costs, or both, will be  
18 reduced. If technical expertise is not available on the  
19 school district staff, the evaluation of the proposal may be  
20 performed by a registered professional engineer or architect  
21 retained by the school district. The school district may pay  
22 a reasonable fee for evaluation of the proposal or include the  
23 fee as part of the payments made under section 297A.5.

24 Sec. 3. NEW SECTION. 297A.3 AWARD OF GUARANTEED ENERGY  
25 SAVINGS CONTRACT.

26 A school district shall select the qualified provider that  
27 best meets the needs of the district. After completing its  
28 evaluation of the proposals received pursuant to section  
29 297A.2, the school district shall provide public notice of the  
30 meeting at which it proposes to award a guaranteed energy  
31 savings contract. The notice shall contain the names of the  
32 parties to the proposed contract and the purpose of the  
33 contract. The public notice shall be published at least ten  
34 days prior to the meeting, pursuant to the procedure specified  
35 in section 297A.2, subsection 1. A school district may enter

1 into a guaranteed energy savings contract with a qualified  
2 provider if it finds after evaluating the proposal pursuant to  
3 section 297A.2, subsection 2, that the amount it would spend  
4 on the energy conservation measures recommended in the  
5 proposal would not exceed the amount to be saved in either  
6 energy or operational costs, or both, within a ten-year period  
7 from the date of installation or modification, if the  
8 recommendations in the proposal are followed.

9 A guaranteed energy savings contract shall provide that all  
10 payments, except obligations resulting from termination of the  
11 contract before its expiration, are to be made over time and  
12 that the savings are guaranteed to the extent necessary to pay  
13 the costs of the energy conservation measures. More than one  
14 school district may enter into a guaranteed energy savings  
15 contract provided that each school district complies with the  
16 provisions of this chapter.

17 Sec. 4. NEW SECTION. 297A.4 QUALIFIED PROVIDER  
18 GUARANTEE.

19 The guaranteed energy savings contract shall include a  
20 written guarantee of the qualified provider that either the  
21 anticipated energy or operational cost savings, or both, will  
22 meet or exceed within ten years the costs of the energy  
23 conservation measures. The qualified provider shall reimburse  
24 the school district for any shortfall of guaranteed energy  
25 savings projected in the contract. A qualified provider shall  
26 provide a sufficient bond to the school district for the  
27 installation and the faithful performance of all the measures  
28 included in the contract. The guaranteed energy savings  
29 contract may provide for payments over a period of time, not  
30 to exceed ten years.

31 Sec. 5. NEW SECTION. 297A.5 PAYMENT PROVISIONS.

32 A school district may enter into an installment payment  
33 contract or lease-purchase agreement with a qualified provider  
34 for the purchase and installation of energy conservation  
35 measures pursuant to a guaranteed energy savings contract, as

1 defined in section 297A.1, subsection 2, if a motion on such  
2 contract or agreement is adopted by the board of directors,  
3 and may issue certificates evidencing the indebtedness  
4 incurred pursuant to the contracts or agreements. A  
5 guaranteed energy savings contract may extend beyond the  
6 fiscal year in which it becomes effective, and amounts  
7 remaining payable thereunder shall be included in the school  
8 district's annual school budget for each subsequent fiscal  
9 year.

10 Sec. 6. NEW SECTION. 297A.6 OPERATIONAL AND ENERGY COST  
11 SAVINGS.

12 A school district shall document the operational and energy  
13 cost savings specified in the guaranteed energy savings  
14 contract and designate and appropriate that amount for an  
15 annual payment of the contract. If the annual energy savings  
16 are less than projected under the guaranteed energy savings  
17 contract, the qualified provider shall pay the difference as  
18 provided in section 297A.4.

19 Sec. 7. NEW SECTION. 297A.7 FUNDING.

20 1. A school district may use funds from either its general  
21 fund or debt service fund to repay obligations relating to a  
22 guaranteed energy savings contract, including purchases using  
23 installment payment contracts or lease-purchase agreements.

24 2. For the purpose of paying obligations incurred pursuant  
25 to a guaranteed energy savings contract, a school district is  
26 authorized to:

27 a. Issue negotiable, interest-bearing school bonds,  
28 pursuant to section 298.21, subsections 2 and 3, and utilize  
29 energy savings resulting from implementation of the guaranteed  
30 energy savings contract for principal and interest repayment.  
31 The provisions of sections 298.22 through 298.24 shall apply  
32 regarding the form, rate of interest, registration,  
33 redemption, and recording of bond issues pursuant to this  
34 subsection, with the exception that the maximum period during  
35 which principal on the bonds is payable shall not exceed a

1 ten-year period.

2 b. Enter into energy loan fund financing arrangements with  
3 the department of natural resources pursuant to section  
4 473.20. For the purposes of this paragraph, the requirement  
5 in section 473.20, subsection 1, that loans shall not be made  
6 for energy conservation measures that require more than an  
7 average of six years to recoup costs shall not apply.

8 3. State aid payments to a school district pursuant to  
9 section 257.16, and other amounts available for distribution  
10 to or reimbursement of a school district, shall not be reduced  
11 as a result of energy savings realized from a guaranteed  
12 energy savings contract, installment payment contract, or a  
13 lease-purchase agreement for the purchase and installation of  
14 energy conservation measures.

15 EXPLANATION

16 This bill provides for the creation of a school energy  
17 conservation program designed to facilitate the ability of  
18 school districts to undertake energy conservation measures  
19 involving school building improvements, repairs, or  
20 alterations, or to add equipment, fixtures, or furnishings, by  
21 means of contracting with a service provider that guarantees  
22 energy or operational cost savings.

23 The bill provides a definition of an energy conservation  
24 measure to be undertaken by a school district, which includes  
25 insulation, caulking or weather stripping, adding energy  
26 control systems, adding, modifying, or replacing heating,  
27 ventilating, or air conditioning systems, replacement or  
28 modification of lighting fixtures, adding energy recovery  
29 systems, or additional energy conservation measures that  
30 provide long-term operating cost reductions. The bill  
31 provides that a school district which seeks to undertake one  
32 or more energy conservation measures can enter into a  
33 guaranteed energy savings contract with a qualified provider.  
34 The bill defines a guaranteed energy savings contract to  
35 include a contract with a qualified provider for the

1 performance of energy audits and preliminary analyses, the  
2 evaluation, recommendation, and implementation of energy  
3 conservation measures, and postimplementation data collection  
4 and recordkeeping. The bill defines a qualified provider as a  
5 person or business which is experienced in the design,  
6 implementation, and installation of energy conservation  
7 measures, and which person or business submits a proposal to  
8 enter into a guaranteed energy savings contract with a school  
9 district.

10 The bill specifies procedures for public notice regarding a  
11 request for proposals from qualified providers, evaluation  
12 procedures and criteria regarding the requests submitted, and  
13 procedures regarding the awarding of a contract by the school  
14 district. More than one school district can enter into a  
15 guaranteed energy savings contract with a qualified provider,  
16 if each school district adheres to the provisions in the bill.

17 The bill provides that a guaranteed energy savings contract  
18 shall contain a written guarantee from the qualified provider  
19 that the anticipated energy or operational cost savings to the  
20 school district will at least equal the cost of the energy  
21 conservation measures undertaken by the district within 10  
22 years, and that the provider agrees to reimburse the school  
23 district for any energy savings shortfall. The provider is  
24 required to provide a bond to the school district for faithful  
25 performance of the contract.

26 The bill provides that a school district may enter into an  
27 installment payment contract or lease-purchase agreement with  
28 a qualified provider for the purchase and installation of an  
29 energy conservation measure, if approved by the district board  
30 of directors, and may use funds from either its general fund  
31 or debt service fund for qualified provider payments. The  
32 bill further provides that a school district is authorized to  
33 issue school bonds pursuant to Code section 298.21,  
34 subsections 2 and 3, and utilize energy savings resulting from  
35 implementation of the guaranteed energy savings contract for

1 principal and interest repayment, and enter into energy loan  
 2 fund financing arrangements with the department of natural  
 3 resources pursuant to Code section 473.20. The bill  
 4 additionally provides that state aid payments to a school  
 5 district pursuant to Code section 257.16, and other amounts  
 6 available for distribution to or reimbursement of a school  
 7 district, will not be reduced as a result of energy savings  
 8 realized from a guaranteed energy savings contract,  
 9 installment payment contract, or a lease-purchase agreement  
 10 for the purchase and installation of energy conservation  
 11 measures.

12 The bill provides that community colleges organized and  
 13 operating pursuant to Code chapter 260C may enter into  
 14 guaranteed energy savings contracts to the same extent as  
 15 school districts.

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