

EDUCATION
FILED MAR 6 '01

SENATE FILE 371
BY CONNOLLY

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act establishing an energy conservation program for school
2 districts.

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

4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

SF 371
EDUCATION

1 Section 1. NEW SECTION. 297A.1 STATE POLICY.

2 The general assembly finds that investment in energy
3 conservation measures by educational facilities can reduce the
4 amount of energy consumed by the facilities, produce both
5 immediate and long-term cost savings, and promote the health
6 and safety of the school children of Iowa. It is the policy
7 of this state to encourage school districts, area education
8 agencies, and community colleges to invest in energy
9 conservation measures that reduce energy consumption, produce
10 a cost savings, and improve the quality of indoor air, and
11 when economically feasible, to build, operate, maintain, or
12 renovate educational facilities in a manner which will
13 minimize energy consumption and maximize energy savings. It
14 is additionally the policy of this state to encourage
15 reinvestment of energy savings resulting from energy
16 conservation measures into additional and continued energy
17 conservation efforts.

18 Sec. 2. NEW SECTION. 297A.2 DEFINITIONS.

19 For the purposes of this chapter:

20 1. "Energy conservation measure" means a training program,
21 facility alteration, or equipment to be used in new
22 construction, including an addition to an existing facility,
23 that reduces energy costs and includes, but is not limited to,
24 the following:

25 a. Insulation of the facility structure or systems within
26 the facility.

27 b. Storm windows or doors, caulking or weather stripping,
28 multiglazed windows or doors, heat-absorbing or heat-
29 reflective glazed and coated window or door systems,
30 additional glazing, reductions in glass area, or other window
31 and door system modifications that reduce energy consumption.

32 c. Automated or computerized energy control systems.

33 d. Heating, ventilating, or air conditioning system
34 modifications or replacements.

35 e. Replacement or modification of lighting fixtures to

1 increase the energy efficiency of the lighting system which,
2 at a minimum, shall conform to the applicable state or local
3 building code.

4 f. Energy recovery systems.

5 g. Cogeneration systems that produce steam or forms of
6 energy such as heat, as well as electricity, for use primarily
7 within a facility or complex of facilities.

8 h. Renewable energy systems, such as solar, biomass, and
9 wind.

10 i. Devices which reduce water consumption or sewer
11 charges.

12 j. Facility alterations or improvements, or new
13 construction, which promote healthier, safer classrooms
14 through plan specifications emphasizing resource efficiency
15 and environmental sustainability. Such specifications may
16 incorporate the following concepts:

17 (1) Site planning and landscape design maximizing the
18 site's natural conditions and promoting easy access for
19 pedestrians, bicycles, and public transportation systems.

20 (2) Day-lighting strategies maximizing southern building
21 exposures and natural daylight classroom illumination.

22 (3) Energy-efficient building shells designed to address
23 energy flows.

24 (4) Environmentally sensitive building products and
25 systems with a preference for locally produced, recycled, and
26 nonpolluting materials.

27 (5) Indoor air quality systems which avoid utilization of
28 polluting chemicals.

29 (6) Water conservation measures and principles including
30 the harvesting of rainwater and utilization of native, low-
31 maintenance landscaping plants.

32 (7) Recycling systems and waste management facilities that
33 encourage staff and student recycling efforts.

34 (8) Eco-education opportunities whereby the school
35 building is designed as a teaching tool for sustainability and

1 energy efficiency.

2 k. Any measure not otherwise defined that provides long-
3 term operating cost reductions and significantly reduces
4 energy consumption.

5 2. "Energy cost savings" means any of the following:

6 a. A measured reduction in fuel, energy, or operation and
7 maintenance costs created from the implementation of one or
8 more energy conservation measures when compared with an
9 established baseline for previous fuel, energy, or operation
10 and maintenance costs.

11 b. For new construction, a projected reduction in fuel,
12 energy, or operation and maintenance costs created from the
13 implementation of one or more energy conservation measures
14 when compared with the projected fuel, energy, or operation
15 and maintenance costs for equipment if the minimum standards
16 of the state uniform building code for public educational
17 facilities construction were implemented and verified by a
18 professional engineer licensed by the state.

19 3. "Energy performance-based contract" means a contract
20 for the evaluation, recommendation, and implementation of
21 energy conservation measures which includes, at a minimum all
22 of the following:

23 a. Performance of an energy audit, data collection, and
24 other related analyses preliminary to the undertaking of
25 energy conservation measures, and maintenance of project
26 monitoring and data collection to verify postinstallation
27 energy consumption and energy-related operating costs.

28 b. The design and installation of equipment to implement
29 one or more energy conservation measures, and, if applicable,
30 operation and maintenance of such measures.

31 c. The projected amount of any actual annual energy cost
32 savings. This amount must be projected to meet or exceed
33 total annual contract payments made by the school corporation
34 for the contract.

35 d. Financing charges to be incurred by the school

1 corporation over the life of the contract.

2 4. "Qualified provider" means a person or business whose
3 employees are experienced and trained in the design,
4 implementation, or installation of energy conservation
5 measures. The minimum training required for any such person
6 or employee under this chapter shall be the satisfactory
7 completion of at least forty hours of course instruction
8 dealing with energy conservation measures.

9 5. "School corporation" means a school district as
10 described in chapter 274, an area education agency as
11 established in chapter 273, or a community college as defined
12 in chapter 260C.

13 Sec. 3. NEW SECTION. 297A.3 REQUESTS FOR PROPOSALS --
14 EVALUATION.

15 1. Prior to entering into an energy performance-based
16 contract as provided in section 297A.4, a school corporation
17 shall announce a request for proposals. A request for
18 proposals shall be announced through at least one public
19 notice appearing at least ten days before the proposal
20 submission date in a newspaper of general circulation
21 published in the area of the school corporation, by a school
22 corporation that will administer the program, requesting
23 innovative solutions and proposals for energy conservation
24 measures. Proposals submitted shall be sealed. The request
25 for proposals shall include all of the following:

- 26 a. Name and address of the school corporation.
- 27 b. Name, address, title, and telephone number of a contact
28 person for the school corporation.
- 29 c. Notice indicating that the school corporation is
30 requesting qualified providers to propose energy conservation
31 measures to be provided pursuant to an energy performance-
32 based 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 corporation may require.

2 2. The school corporation shall evaluate any sealed
3 proposal from a qualified provider. Sealed proposals shall be
4 opened by a designated member or employee or governing body of
5 the school corporation at a public meeting during which the
6 contents of the proposals shall be announced. Each person or
7 entity submitting a sealed proposal must receive at least ten
8 days' notice of the time and place of the public meeting,
9 published pursuant to the procedure specified in this section.

10 The school corporation shall analyze the estimates of all
11 costs of installations, modifications, and remodeling,
12 including, without limitation, costs of a preinstallation
13 energy audit or analysis, design, engineering, installation,
14 maintenance, repairs, debt service, conversions to a different
15 energy or fuel source, and postinstallation project
16 monitoring, data collection, and reporting. The evaluation
17 shall include a detailed analysis of whether the energy
18 consumed or the operating costs, or both, will be reduced, and
19 shall be reviewed by either the department of education or the
20 department of natural resources, or verified by a licensed
21 professional engineer.

22 Sec. 4. NEW SECTION. 297A.4 AWARD OF GUARANTEED ENERGY
23 COST SAVINGS CONTRACT.

24 A school corporation shall select the qualified provider
25 that best meets the needs of the school corporation. After
26 completing its evaluation of the proposals received pursuant
27 to section 297A.3, the school corporation shall provide public
28 notice of the meeting at which it proposes to award a
29 guaranteed energy cost savings contract. The notice shall
30 contain the names of the parties to the proposed contract and
31 the purpose of the contract. The public notice shall be
32 published at least ten days prior to the meeting, pursuant to
33 the procedure specified in section 297A.3. A school
34 corporation may enter into a guaranteed energy cost savings
35 contract with a qualified provider if it finds after

1 evaluating the proposal pursuant to section 297A.3 that the
2 amount it would spend on the energy conservation measures
3 recommended in the proposal would not exceed the amount to be
4 saved in either energy or operational costs, or both, within a
5 twenty-year period from the date of installation or
6 modification, based on life-cycle costing calculations, if the
7 recommendations in the proposal are followed.

8 In selecting a qualified provider pursuant to this section,
9 to the extent possible and when consistent with the objectives
10 of the school district, a district shall indicate a preference
11 for proposals which promote healthier, safer classrooms
12 through plan specifications emphasizing resource efficiency
13 and environmental sustainability, incorporating the concepts
14 defined in section 297A.2, subsection 1, paragraph "j".

15 Sec. 5. NEW SECTION. 297A.5 QUALIFIED PROVIDER
16 GUARANTEE.

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

30 Sec. 6. NEW SECTION. 297A.6 PAYMENT PROVISIONS.

31 1. A school corporation may enter into an installment
32 payment contract or lease-purchase agreement with a qualified
33 provider for the purchase and installation of energy
34 conservation measures, if a motion on such a contract or
35 agreement is adopted by the governing body of the school

1 corporation. The contract shall provide for payments of not
2 less than one-twentieth of the price to be paid for purchase
3 and installation within two years from the date of the
4 complete installation and acceptance by the school
5 corporation, and the remaining costs shall be paid at least
6 quarterly, not to exceed a twenty-year duration based on life-
7 cycle costing calculations.

8 2. Energy performance-based contracts may extend beyond
9 the fiscal year in which they become effective, and may be
10 automatically renewed annually for up to twenty years, subject
11 to annual appropriations from the governing body of the school
12 corporation based upon continued realized energy cost savings.
13 An energy performance-based contract shall stipulate that the
14 agreement does not constitute a debt, liability, or obligation
15 on the part of the state, or a school corporation facing an
16 annual energy cost savings shortfall as provided in section
17 297A.5.

18 3. The contract shall include a guarantee by the qualified
19 provider that annual energy cost savings will meet or exceed
20 the amortized cost of energy conservation measures. The
21 qualified provider shall provide to the school corporation an
22 annual reconciliation of the guaranteed energy cost savings,
23 and shall be liable for any annual energy cost savings
24 shortfall that may occur as provided in section 297A.5.

25 EXPLANATION

26 This bill provides for the creation of a school energy
27 conservation program designed to facilitate the ability of
28 school corporations to undertake energy conservation measures
29 involving training programs, school facility improvements or
30 alterations, or new construction or additions, by means of
31 contracting with a service provider that guarantees energy or
32 operational cost savings.

33 The bill provides a definition of an energy conservation
34 measure to be undertaken by a school corporation, which
35 includes insulation, caulking or weather stripping, adding

1 energy control systems, adding, modifying, or replacing
2 heating, ventilating, or air conditioning systems, replacement
3 or modification of lighting fixtures, adding energy recovery
4 systems, cogeneration systems, renewable energy systems,
5 devices which reduce water consumption or sewer charges, plans
6 promoting healthier, safer classrooms through specifications
7 emphasizing resource efficiency and environmental
8 sustainability, or additional energy conservation measures
9 that provide long-term operating cost reductions. The bill
10 provides that a school corporation which seeks to undertake
11 one or more energy conservation measures can enter into a
12 guaranteed energy cost savings contract with a qualified
13 provider. The bill defines a guaranteed energy cost savings
14 contract to include a contract with a qualified provider for
15 the performance of energy audits and preliminary analyses, the
16 evaluation, recommendation, and implementation of energy
17 conservation measures, and postimplementation data collection
18 and recordkeeping. The bill defines a qualified provider as a
19 person or business which is experienced in the design,
20 implementation, and installation of energy conservation
21 measures, and which person or business submits a proposal to
22 enter into a guaranteed energy cost savings contract with a
23 school corporation. The bill specifies procedures for public
24 notice regarding a request for proposals from qualified
25 providers, evaluation procedures and criteria regarding the
26 proposals submitted, and procedures regarding the awarding of
27 a contract by the school corporation. The bill provides that
28 in selecting a qualified provider, to the extent possible and
29 when consistent with the objectives of the school district, a
30 district shall indicate a preference for proposals which
31 promote healthier, safer classrooms through plan
32 specifications emphasizing resource efficiency and
33 environmental sustainability. The bill defines "school
34 corporation" as a school district, an area education agency,
35 or a community college.

1 The bill provides that a guaranteed energy cost savings
2 contract shall contain a written guarantee from the qualified
3 provider that the anticipated energy or operational cost
4 savings to the school corporation will at least equal the cost
5 of the energy conservation measures undertaken by the school
6 corporation within 20 years, and that the provider agrees to
7 reimburse the school corporation for any energy cost savings
8 shortfall. The provider is required to provide a bond to the
9 school corporation for faithful performance of the contract.

10 The contract shall provide for payment of not less than
11 one-twentieth of the purchase and installation price within
12 two years from original installation, with quarterly payments
13 thereafter for up to 20 years' total duration.

14 The bill provides that the contract may extend beyond the
15 fiscal year in which it becomes effective and may be
16 automatically renewed annually for up to 20 years, subject to
17 annual appropriations from the governing body of the school
18 corporation based upon continued realized energy cost savings.
19 The bill provides that the contract shall stipulate that the
20 agreement does not constitute a debt, liability, or obligation
21 on the part of the state, or a school corporation experiencing
22 an energy cost savings shortfall, and include a guarantee by
23 the qualified provider that annual energy cost savings will
24 meet or exceed the amortized cost of energy conservation
25 measures. The bill provides that the qualified provider shall
26 provide to the school corporation an annual reconciliation of
27 the guaranteed energy cost savings, and shall be liable for
28 any annual shortfall which may occur.

29
30
31
32
33
34
35