

## **BILL ANALYSIS**

S.B. 533  
By: Zaffirini  
Higher Education  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Interested parties note that energy savings performance contracts allow state agencies, institutions of higher education, public school districts, and local governments to complete energy-saving improvements within an existing budget by financing them with money saved through reduced utility expenditures. Contractors guarantee the savings that will be achieved as a result of implementing the energy savings measures in the contract. If the actual energy savings achieved after installation do not meet the guarantee, the contractor is obligated to reimburse the difference.

The State Energy Conservation Office and the Texas Higher Education Coordinating Board are responsible for managing these contracts for state agencies and institutions of higher education, respectively, and contractors are required to periodically report on a measurement and verification of savings. The interested parties observe, however, that current law does not provide for sufficient review of such reports. A recent senate interim report recommended that state authorities should review contractor reports and submit their findings to state agencies and the Legislative Budget Board. S.B. 533 seeks to provide for the review of energy savings performance contract reports.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

S.B. 533 amends the Education Code and Government Code to require guidelines relating to the process for awarding energy savings performance contracts at institutions of higher education and state agencies, respectively, to require the Texas Higher Education Coordinating Board and the State Energy Conservation Office, as applicable, to review any reports submitted to the coordinating board or office, as applicable, that measure and verify cost savings to an institution of higher education or state agency, as applicable, under an energy savings performance contract and, based on the reports, to provide an analysis on a periodic basis of those cost savings to the institution's governing board or state agency, as applicable, and the Legislative Budget Board until the governing board or state agency, as applicable, determines that the analysis is no longer required to accurately measure cost savings.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.