

A BILL TO BE ENTITLED

AN ACT

relating to the purchase of a construction-related service from a provider related to an energy savings performance contract.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 302.001, Local Government Code, is amended by adding Subdivisions (7-a), (8-a), and (9-b) and amending Subdivisions (8) and (10) to read as follows:

(7-a) "Investment grade audit" means a detailed analysis by a qualified provider to define the scope of work for an energy savings performance contract. The audit includes physical inspections, utility data analysis, identification of conservation measures, and a comprehensive report detailing costs, savings projections, and a measurement and verification plan, ensuring compliance with industry standards and unbiased recommendations.

(8) "Local government" means a county, municipality, school district, or other political subdivision of this state. [~~The term does not include a school district authorized to enter into an energy savings performance contract under Section 44.901, Education Code.~~]

(8-a) "Measurement and verification" means a method of confirming whether a guaranteed energy savings, an increase in billable revenues, or an increase in meter accuracy resulting from an energy or water conservation or usage measure is being met as specified under an energy savings performance contract and this

1 chapter.

2 (9-b) "Preliminary utility audit" means an initial
3 assessment by a provider to identify potential energy or water
4 conservation measures. The audit includes cost and savings
5 estimates, an on-site survey, and a written report provided at no
6 cost to the local government, excluding detailed engineering or
7 architectural designs.

8 (10) "Provider" means an entity or an affiliate of the
9 entity that:

10 (A) has experience in the design, acquisition,
11 implementation, installation, and, where appropriate,
12 construction, engineering, operation, maintenance, and repair [~~in~~
13 ~~the business of designing, implementing, and installing]~~ of energy
14 or water conservation or usage measures [~~or an affiliate of such an~~
15 ~~entity];~~

16 (B) has the technical capability to verify that
17 such energy or water conservation or usage measures generate energy
18 savings, an increase in billable revenues, or an increase in meter
19 accuracy; and

20 (C) has the ability to secure or arrange the
21 financing necessary to satisfy the guarantee required by an energy
22 savings performance contract entered into by the provider.

23 SECTION 2. Chapter 302, Local Government Code, is amended
24 by adding Section 302.009 to read as follows:

25 Sec. 302.009. PROCUREMENT OF CERTAIN CONSTRUCTION-RELATED
26 SERVICES. (a) This section applies to the purchase of a
27 construction-related service from a provider related to an energy

1 savings performance contract in an amount that exceeds \$50,000.

2 (b) A local government may not use a purchasing cooperative
3 under Chapter 791, Government Code, or a local cooperative
4 organization under Subchapter F, Chapter 271, of this code for the
5 purchase of a preliminary utility audit, an investment grade audit,
6 architectural services, design services, or engineering services
7 from a provider under an energy savings performance contract.

8 SECTION 3. Section 44.901, Education Code, is repealed.

9 SECTION 4. The changes in law made by this Act apply to a
10 contract entered into or amended or modified on or after the
11 effective date of this Act. A contract entered into or amended or
12 modified before the effective date of this Act is governed by the
13 law in effect on the date the contract was entered into or amended
14 or modified, and the former law is continued in effect for that
15 purpose.

16 SECTION 5. This Act takes effect September 1, 2025.