

LEGISLATIVE COUNSEL'S DIGEST

Bill No.

as introduced, _____.

General Subject: Electricity; energy savings contracts; state agencies.

Existing law authorizes the Department of General Services or any other state or local agency intending to enter into an energy savings contract to establish a pool of qualified energy service companies based on specified factors. Existing law provides that energy service contracts for individual projects undertaken by a state or local agency may be awarded through a competitive selection process to individuals or firms identified in the pool. Existing law requires that the pool be reestablished at least every 2 years, or expire.

This bill would provide an alternative process for awarding energy savings contracts for energy retrofit projects, as defined. The bill would authorize the Department of General Services or any other state agency intending to enter into an energy savings contract for an energy retrofit project to establish one or more pools of qualified energy service companies based on the same factors, and to select a qualified



energy service company identified in the pool for a contract for a specific energy retrofit project through a competitive selection process or on a rotational basis. The bill would provide that the Department of General Services or state agency has exclusive authority to reject the plan or proposal of the energy service company selected for the energy retrofit project and to continue the selection process until a satisfactory plan or proposal is identified. The bill would also require that the pool, or pools, be reestablished at least every 2 years, or expire.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.



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An act to amend Section 388 of the Public Utilities Code, relating to
electricity.



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THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 388 of the Public Utilities Code is amended to read:

388. (a) Notwithstanding any other provision of law, ~~any~~ a state agency may enter into an energy savings contract with a qualified energy service company for the purchase or exchange of thermal or electrical energy or water, or to acquire energy efficiency ~~and/or~~ or water conservation services, or both energy efficiency and water conservation services, for a term not exceeding 35 years, ~~at those rates and upon those terms that are~~ approved by the agency.

(b) The Department of General Services or any other state or local agency intending to enter into an energy savings contract may establish a pool of qualified energy service companies based on qualifications, experience, ~~pricing~~ pricing, or other pertinent factors. Energy service contracts for individual projects undertaken by ~~any~~ a state or local agency may be awarded through a competitive selection process to individuals or firms identified in ~~such a~~ the pool. The pool of qualified energy service companies and contractors shall be reestablished at least every two years or shall expire.

(c) The Department of General Services or any other state agency intending to enter into an energy savings contract for an energy retrofit project may establish one or more pools of qualified energy service companies based on qualifications, experience, pricing, or other pertinent factors. The Department of General Services or state agency may select a qualified energy service company identified in the pool for a contract for a specific energy retrofit project through a competitive selection process or on a rotational basis. The Department of General Services or state agency has exclusive authority to reject the plan or proposal of the energy service company selected for the



energy retrofit project and may continue the selection process until a satisfactory plan or proposal is identified. Regardless of the method of selection, nothing in this subdivision is intended to waive other terms and conditions applicable to a state contract for an energy retrofit project. The pool, or pools, of qualified energy service companies for contracts for energy retrofit projects shall be reestablished at least every two years or shall expire.

(e)

(d) For purposes of this section, the following definitions apply:

(1) (A) “Energy retrofit project” means a project for which the state works with a qualified energy service company to identify, develop, design, and implement energy conservation measures in existing facilities to reduce energy use or make a more efficient use of energy.

(B) “Energy retrofit project” does not include the erection or installation of a power generating system, a power purchase, or a project utilizing a site license or lease agreement.

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(2) “Energy savings” means a measured and verified reduction in fuel, energy, or water consumption when compared to an established baseline of consumption.

(2)

(3) “Qualified energy service company” means a company with a demonstrated ability to provide or arrange for building or facility energy auditors, selection and design of appropriate energy savings measures, project financing, implementation of



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these measures, and maintenance and ongoing measurement of these measures as to ensure and verify energy savings.

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