

SENATE BILL NO. 22—SENATOR TOWNSEND

PREFILED JANUARY 11, 2001

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to retrofitting of governmental buildings for energy efficiency. (BDR 28-288)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~(omitted material)~~ is material to be omitted.

AN ACT relating to public works; increasing the total amount of money that may be committed beyond the biennium for all contracts for retrofitting state buildings for energy efficiency; authorizing a state or local agency whose building has been retrofitted for energy efficiency to use money saved from such retrofitting to purchase electricity from renewable energy systems; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** NRS 338.1906 is hereby amended to read as follows:
2 338.1906 1. Upon request by or consultation with an officer or
3 employee of the state who is responsible for the budget of a department,
4 board, commission, agency or other entity of the state, the appropriate
5 energy retrofit coordinator may request the approval of the state board of
6 examiners to advertise a request for proposals to retrofit a building, or any
7 portion thereof, that is occupied by the department, board, commission,
8 agency or other entity, to make the use of energy in the building, or portion
9 thereof, more efficient.
10 2. Upon approval of the state board of examiners, the coordinator shall
11 prepare a request for proposals for the retrofitting of one or more buildings,
12 or any portion thereof, which includes:
13 (a) The name and location of the coordinator;
14 (b) A brief description of the requirements for the initial audit of the use
15 of energy and the retrofitting;
16 (c) Where and how specifications of the requirements for the initial
17 audit of the use of energy and the retrofitting may be obtained;

1 (d) The date and time not later than which proposals must be received
2 by the coordinator; and

3 (e) The date and time when responses will be opened.

4 3. The request for proposals must be published in at least one
5 newspaper of general circulation in the state.

6 4. After receiving the proposals but before making a decision on the
7 proposals, the coordinator shall consider:

8 (a) The best interests of the state;

9 (b) The experience and financial stability of the persons submitting the
10 proposals;

11 (c) Whether the proposals conform with the terms of the request for
12 proposals;

13 (d) The prices of the proposals; and

14 (e) Any other factor disclosed in the request for proposals.

15 5. The coordinator shall determine the relative weight of each factor
16 before a request for proposals is advertised. The weight of each factor must
17 not be disclosed before the date proposals are required to be submitted to
18 the coordinator.

19 6. After reviewing the proposals, if the coordinator determines that
20 sufficient energy could be saved to justify retrofitting the building or
21 buildings, or portion thereof, the coordinator shall select the best proposal
22 and request the approval of the board of examiners to award the contract.
23 The request for approval must include the proposed method of financing
24 the audit and retrofit, which may include an installment contract, a shared
25 savings contract or any other contract for a reasonable financing
26 arrangement. Such a contract may commit the state to make payments
27 beyond the biennium in which the contract is executed, but the interest due
28 on any debt created pursuant to this section must be paid at least
29 semiannually, payments must be made on the principal at least annually
30 and the debt must be fully repaid on or before May 1, 2013.

31 7. Before approving a retrofit pursuant to this section, the state board
32 of examiners shall evaluate any projects that would utilize shared savings
33 as a method of payment or any method of financing that would commit the
34 state to make payments beyond the biennium in which the contract is
35 executed to ensure that:

36 (a) The amount of energy to be saved will likely justify the cost of the
37 retrofit;

38 (b) The state is likely to continue to occupy the building for the entire
39 period required to recoup the cost of the retrofit in energy savings; and

40 (c) The limitation set forth in subsection 9 will not be exceeded.

41 8. Upon approval of the state board of examiners, the coordinator shall
42 execute the contract and notify:

43 (a) The state board of examiners of the total amount of money
44 committed by the contract per year; and

45 (b) Each officer or employee who is responsible for the budget of a
46 department, board, commission, agency or other entity which occupies a
47 portion of a building that will be retrofitted of the amount of money it will
48 be required to pay annually for its portion of the retrofit.

1 9. The total amount of money committed beyond the biennium for all
2 contracts executed pursuant to this section must not exceed ~~[\$5,000,000]~~
3 *\$50,000,000* at any one time.

4 10. The legislature hereby pledges that a tax will be levied to pay the
5 principal and interest on any indebtedness resulting from a contract
6 executed pursuant to this section as they become due if the required
7 payments will not be made by the entity that executed the contract from its
8 budgeted accounts and the proceeds from any such taxes are hereby
9 specially appropriated for this purpose.

10 11. NRS 338.1385 does not apply to a project for which a request for
11 proposals is advertised and the contract is awarded pursuant to the
12 provisions of this section.

13 *12. The department, board, commission, agency or other entity of the*
14 *state whose building or portion of a building has been retrofitted*
15 *pursuant to this section may use an amount of money equal to the*
16 *savings realized by the entity because of such retrofitting to purchase*
17 *electricity from a renewable energy system.*

18 *13. For the purposes of this section, all electricity that is saved as a*
19 *result of the installation by a provider of electricity of a measure that is*
20 *designed to make the use of energy more efficient shall be deemed to*
21 *have been generated and derived from renewable energy resources.*

22 *14. As used in this section:*

23 *(a) "Renewable energy resources" means wind, solar, geothermal and*
24 *biomass energy resources in this state that are naturally regenerated.*

25 *(b) "Renewable energy system" means a system for the production of*
26 *energy in this state which uses renewable energy resources to produce*
27 *electricity or reduce the use of electricity and which was installed and*
28 *commenced operations after January 1, 1997.*

29 **Sec. 2.** NRS 338.1907 is hereby amended to read as follows:

30 338.1907 1. The governing body of a local government may
31 designate one or more energy retrofit coordinators for the buildings
32 occupied by the local government.

33 2. If such a coordinator is designated, upon request by or consultation
34 with an officer or employee of the local government who is responsible for
35 the budget of a department, board, commission or other entity of the local
36 government, the coordinator may request the approval of the governing
37 body to advertise a request for proposals to retrofit a building, or any
38 portion thereof, that is occupied by the department, board, commission or
39 other entity, to make the use of energy in the building, or portion thereof,
40 more efficient.

41 3. Upon approval of the governing body, the coordinator shall prepare
42 a request for proposals for the retrofitting of one or more buildings, or any
43 portion thereof, which includes:

44 (a) The name and location of the coordinator;

45 (b) A brief description of the requirements for the initial audit of the use
46 of energy and the retrofitting;

47 (c) Where and how specifications of the requirements for the initial
48 audit of the use of energy and the retrofitting may be obtained;

(d) The date and time not later than which proposals must be received by the coordinator; and

(e) The date and time when responses will be opened.

4. The request for proposals must be published in at least one newspaper of general circulation in the county in which the local government is located.

5. After receiving the proposals but before making a decision on the proposals, the coordinator shall consider:

(a) The best interests of the local government;

(b) The experience and financial stability of the persons submitting the proposals;

(c) Whether the proposals conform with the terms of the request for proposals;

(d) The prices of the proposals; and

(e) Any other factor disclosed in the request for proposals.

6. The coordinator shall determine the relative weight of each factor before a request for proposals is advertised. The weight of each factor must not be disclosed before the date proposals are required to be submitted to the coordinator.

7. After reviewing the proposals, if the coordinator determines that sufficient energy could be saved to justify retrofitting the building or buildings, or portion thereof, the coordinator shall select the best proposal and request the approval of the governing body to award the contract. The request for approval must include the proposed method of financing the audit and retrofit, which may include an installment contract, a shared savings contract or any other contract for a reasonable financing arrangement. Such a contract may commit the local government to make payments beyond the fiscal year in which the contract is executed or beyond the terms of office of the governing body, or both.

8. Before approving a retrofit pursuant to this section, the governing body shall evaluate any projects that would utilize shared savings as a method of payment or any method of financing that would commit the local government to make payments beyond the fiscal year in which the contract is executed or beyond the terms of office of the governing body to ensure that:

(a) The amount of energy to be saved will likely justify the cost of the retrofit; and

(b) The local government is likely to continue to occupy the building for the entire period required to recoup the cost of the retrofit in energy savings.

9. Upon approval of the governing body, the coordinator shall execute the contract and notify each officer or employee who is responsible for the budget of a department, board, commission or other entity which occupies a portion of a building that will be retrofitted of the amount of money it will be required to pay annually for its portion of the retrofit.

10. NRS 338.1385 and 338.143 do not apply to a project for which a request for proposals is advertised and the contract is awarded pursuant to the provisions of this section.

1 11. *The department, board, commission or other entity of the local*
2 *government whose building or portion of a building has been retrofitted*
3 *pursuant to this section may use an amount of money equal to the*
4 *savings realized by the entity because of such retrofitting to purchase*
5 *electricity from a renewable energy system.*

6 12. *For the purposes of this section, all electricity that is saved as a*
7 *result of the installation by a provider of electricity of a measure that is*
8 *designed to make the use of energy more efficient shall be deemed to*
9 *have been generated and derived from renewable energy resources.*

10 13. *As used in this section:*

11 (a) *“Renewable energy resources” means wind, solar, geothermal and*
12 *biomass energy resources in this state that are naturally regenerated.*

13 (b) *“Renewable energy system” means a system for the production of*
14 *energy in this state which uses renewable energy resources to produce*
15 *electricity or reduce the use of electricity and which was installed and*
16 *commenced operations after January 1, 1997.*

17 **Sec. 3.** This act becomes effective upon passage and approval and
18 expires by limitation on May 1, 2013.

~