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DIGEST

SB 212 Engrossed 2025 Regular Session McMath

Present law (R.S.33:4547.1) authorizes political subdivisions to enter into performance-based energy efficiency contracts for services and equipment.

Present law requires political subdivision to issue requests for proposals to solicit project bids and requires certain information to be included in the bids.

Proposed law changes the method of procurement to requests for qualifications to allow political subdivisions to select a vendor before requiring proposers to complete full project proposals.

Present law requires performance-based energy efficiency contracts to be based on total energy cost savings.

Proposed law retains present law.

Proposed law provides that "annual energy savings" shall mean, when calculating annual energy cost savings attributable to the services or equipment installed pursuant to a performance-based energy efficiency contract as defined in present law, the savings in reductions in utility costs, including electricity, gas, water, propane, oil, diesel, steam or other fuels, and may include capital cost avoidance, deferred maintenance, labor savings, and increased revenues from utility infrastructure upgrades or optimization.

Present law requires political subdivisions to select an energy efficiency independent third-party evaluation consultant to review and evaluate submitted proposals.

Proposed law retains present law.

Proposed law authorizes political subdivisions to require an investment grade audit prior to executing a contract and provides for payments for the audits.

Proposed law authorizes the use of different structures of performance-based energy efficiency contracts.

Effective August 1, 2025.

(Amends R.S. 33:4547.1(C), (E)(1), (F)(2)(g) and 4547.2(A)-(F); adds R.S. 33:4547.1(G)-(I); repeals R.S. 33:4547.2(G) and (H))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Local and Municipal Affairs to the original bill

1. Changes the requirements of how savings are determined under performance-based energy efficiency contracts.
2. Provides for the definition of "annual energy savings".
3. Removes provision requiring the total proposed project cost to be less than \$500,000 and provides for a third-party consultant irrespective of the proposed project cost.
4. Removes shared services arrangements between two or more political subdivisions.
5. Removes Energy-as-a-Service (EaaS) or subscription-based agreements as a structure for which political subdivision may enter into a performance-based energy efficiency contract.