

2017 Regular Session

SENATE BILL NO. 112

BY SENATOR WHITE

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

PROCUREMENT CODE. Provides relative to the execution of performance based energy efficiency contracts. (8/1/17)

1 AN ACT

2 To enact R.S. 39:1622(H), relative to performance-based energy efficiency contracts; to  
3 provide for the effect of certain modifications and change order and approvals  
4 thereof; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 39:1622(H) is hereby enacted to read as follows:

7 §1622. Performance-based energy efficiency contracts

8 \* \* \*

9 **H. Notwithstanding the requirements of Paragraph C of this Section, if**  
10 **at any time after the execution of a performance-based energy efficiency**  
11 **contract, a state agency makes a unilateral change or modification to the scope**  
12 **of work under the contract, the annual energy cost savings attributable to the**  
13 **services or equipment shall be adjusted to account for any expended costs and**  
14 **any projected savings that can no longer be measured or verified as a result of**  
15 **the change or modification. However, any adjustment that reduces the annual**  
16 **energy cost savings attributable to the services or equipment by twenty percent**  
17 **or more shall require approval of the Joint Legislative Committee on the**

- 1            **Budget prior to the amendment of the contract. This Subsection shall apply to**  
 2            **all performance-based energy efficiency contracts in effect on and after**  
 3            **January 1, 2010, and all future contracts executed pursuant to this Section.**
- 

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Ben Huxen.

---

DIGEST

SB 112 Engrossed

2017 Regular Session

White

Present law provides that a state agency may enter into a performance-based energy efficiency contract for services and equipment.

Proposed law retains present law but provides that, if at any time after the execution of a performance-based energy efficiency contract, the state agency makes a unilateral change or modification to the scope of work under the contract, the annual energy cost savings attributable to the services or equipment shall be adjusted to account for any expended costs and any projected savings that can no longer be measured or verified as a result of the change or modification. Proposed law further provides that any adjustment that reduces the annual energy cost savings attributable to the services or equipment by twenty percent or more shall require approval of the Joint Legislative Committee on the Budget prior to the amendment of the contract.

Proposed law applies to all performance-based energy efficiency contracts in effect on and after January 1, 2010, and all future contracts.

Effective August 1, 2017.

(Adds R.S. 39:1622(H))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the original bill

1. Deletes language restricting the unilateral change by a state agency to the "removal of one or more facilities".