

BILL SUMMARY
2nd Session of the 53rd Legislature

Bill No.:	HB 2197
Version:	FA2
Request Number:	9779
Author:	Rep. Renegar
Date:	3/7/2012
Impact:	Potential Operation Cost Savings

Research Analysis

Floor amendment 2 for HB 3053 includes metering-related equipment and automated or electronically controlled systems of measures that reduce operating costs to the list of utility services eligible to be used in a performance-based efficiency contract. It also allows efficiency gains to a public entity results from a contract may be utilized to meet the annual debt service.

Finally, the amendment states that efficiency gains must be measured, verified and documented at least during each of the first five years of the contract. Contracts the include metering or related equipment for a municipal utility system must test a statistically relevant sample of the meters installed no later than the fifth anniversary of the effective date of the contract.

Prepared By: Colin Swearingen, Ph.D.

Fiscal Analysis

The addition of metering-related systems of a municipal utility and automated controlled systems to those to assets eligible for inclusion in a performance-based efficiency contract may provide additional savings in municipal operating costs. Any savings would depend on the utilization of such systems and the relative cost reductions that may occur. Utilization of efficiency gains to meet annual debt service is permitted but any efficiencies in servicing debt cannot be reliably estimated.

Prepared By: Mark Tygret

Other Considerations

None indicated.