

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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SENATE BILL 304
Finance Committee Substitute Adopted 5/21/09
Third Edition Engrossed 5/27/09

Short Title: Energy Savings Contracts' Cap/Program Admin.

(Public)

Sponsors:

Referred to:

February 25, 2009

1 A BILL TO BE ENTITLED
2 AN ACT TO INCREASE THE AMOUNT THE STATE MAY FINANCE UNDER
3 GUARANTEED ENERGY SAVINGS CONTRACTS AND TO MODIFY THE
4 REPORTING REQUIREMENTS.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 142-63 reads as rewritten:

7 "**§ 142-63. Authorization of financing contract.**

8 Subject to the terms and conditions set forth in this Article, a State governmental unit that
9 has solicited a guaranteed energy conservation measure pursuant to G.S. 143-64.17A or
10 G.S. 143-64.17B or the State Treasurer, as designated by the Council of State, is authorized to
11 execute and deliver, for and on behalf of the State of North Carolina, a financing contract to
12 finance the costs of the energy conservation measure. The aggregate ~~principal-outstanding~~
13 amount payable by the State under financing contracts entered pursuant to this Article shall not
14 exceed ~~one hundred million dollars (\$100,000,000)~~ five hundred million dollars (\$500,000,000)
15 at any one time."

16 **SECTION 2.** G.S. 143-64.17B(f) reads as rewritten:

17 "(f) In the case of a State governmental unit, a qualified provider shall, when feasible,
18 after the acceptance of the proposal of the qualified provider by the State governmental unit,
19 conduct an investment grade audit. During this investment grade audit, the qualified provider
20 shall perform in accordance with Part 1 of this Article a life cycle cost analysis of each energy
21 conservation measure in the final proposal. If the results of the audit are not within ten percent
22 (10%) of both the guaranteed savings contained in the proposal and the total proposal amount,
23 either the State governmental unit or the qualified provider may terminate the project without
24 incurring any additional obligation to the other party. However, if the State governmental unit
25 terminates the project after the audit is conducted and the results of the audit are within ten
26 percent (10%) of both the guaranteed savings contained in the proposal and the total proposal
27 amount, the State governmental unit shall reimburse the qualified provider the reasonable cost
28 incurred in conducting the audit, and the results of the audit shall become the property of the
29 State governmental unit."

30 **SECTION 3.** G.S. 143-64.17G reads as rewritten:

31 "**§ 143-64.17G. Report on guaranteed energy savings contracts entered into by local**
32 **governmental units.**

33 A local governmental unit that enters into a guaranteed energy savings contract must report
34 the contract and the terms of the contract to the Local Government ~~Commission~~ Commission
35 and the State Energy Office of the Department of Administration. The Commission shall



1 compile the information and report it biennially to the Joint Commission on Governmental
2 Operations. In compiling the information, the Local Government Commission shall include
3 information on the energy savings expected to be realized from a contract and, with the
4 assistance of the Office of State ~~Construction~~, Construction and the State Energy Office, shall
5 evaluate whether expected savings have in fact been realized."

6 **SECTION 4.** This act is effective when it becomes law.