

1.1 moves to amend H.F. No. 270, the delete everything amendment
1.2 (H0270DE1), as follows:

1.3 Page 41, after line 18, insert:

1.4 "Sec. 27. Minnesota Statutes 2012, section 16C.144, subdivision 2, is amended to read:

1.5 Subd. 2. **Guaranteed energy-savings agreement.** The commissioner may enter
1.6 into a guaranteed energy-savings agreement with a qualified provider if:

1.7 (1) the qualified provider is selected through a competitive process in accordance
1.8 with the guaranteed energy-savings program guidelines within the Department of
1.9 Administration;

1.10 (2) the qualified provider agrees to submit an engineering report prior to the
1.11 execution of the guaranteed energy-savings agreement. The cost of the engineering report
1.12 may be considered as part of the implementation costs if the commissioner enters into a
1.13 guaranteed energy-savings agreement with the provider;

1.14 (3) the term of the guaranteed energy-savings agreement shall not exceed 15 years
1.15 from the date of final installation;

1.16 (4) the commissioner finds that the amount it would spend on the utility cost-savings
1.17 measures recommended in the engineering report will not exceed the amount to be
1.18 saved in utility operation and maintenance costs over ~~15~~ 20 years from the date of
1.19 implementation of utility cost-savings measures;

1.20 (5) the qualified provider provides a written guarantee that the annual utility,
1.21 operation, and maintenance cost savings during the term of the guaranteed energy-savings
1.22 agreement will meet or exceed the annual payments due under a lease purchase agreement.
1.23 The qualified provider shall reimburse the state for any shortfall of guaranteed utility,
1.24 operation, and maintenance cost savings; and

1.25 (6) the qualified provider gives a sufficient bond in accordance with section
1.26 574.26 to the commissioner for the faithful implementation and installation of the utility
1.27 cost-savings measures.

2.1 Sec. 28. Minnesota Statutes 2012, section 16C.144, subdivision 3, is amended to read:

2.2 Subd. 3. **Lease purchase agreement.** The commissioner may enter into a lease
2.3 purchase agreement with any party for the implementation of utility cost-savings measures
2.4 in accordance with the guaranteed energy-savings agreement. The implementation costs of
2.5 the utility cost-savings measures recommended in the engineering report shall not exceed
2.6 the amount to be saved in utility and operation and maintenance costs over the term of the
2.7 lease purchase agreement. The term of the lease purchase agreement shall not exceed ~~15~~
2.8 20 years from the date of final installation. The lease is assignable in accordance with
2.9 terms approved by the commissioner of management and budget."

2.10 Page 42, delete section 28, and insert:

2.11 "Sec. 28. Minnesota Statutes 2012, section 123B.65, subdivision 1, is amended to read:

2.12 Subdivision 1. **Definitions.** The definitions in this subdivision apply to this section.

2.13 (a) "Energy conservation measure" means a training program or facility alteration
2.14 designed to reduce energy consumption or operating costs and includes:

2.15 (1) insulation of the building structure and systems within the building;

2.16 (2) storm windows and doors, caulking or weatherstripping, multiglazed windows
2.17 and doors, heat absorbing or heat reflective glazed and coated window and door
2.18 systems, additional glazing, reductions in glass area, and other window and door system
2.19 modifications that reduce energy consumption;

2.20 (3) automatic energy control systems;

2.21 (4) heating, ventilating, or air conditioning system modifications or replacements;

2.22 (5) replacement or modifications of lighting fixtures to increase the energy efficiency
2.23 of the lighting system without increasing the overall illumination of a facility, unless such
2.24 increase in illumination is necessary to conform to the applicable state or local building
2.25 code for the lighting system after the proposed modifications are made;

2.26 (6) energy recovery systems;

2.27 (7) cogeneration systems that produce steam or forms of energy such as heat, as well
2.28 as electricity, for use primarily within a building or complex of buildings;

2.29 (8) energy conservation measures that provide long-term operating cost reductions.

2.30 (b) "Guaranteed energy-savings contract" means a contract for the evaluation
2.31 and recommendations of energy conservation measures, and for one or more energy
2.32 conservation measures. The contract must provide that all payments, except obligations
2.33 on termination of the contract before its expiration, are to be made over time, but not to
2.34 exceed ~~15~~ 20 years from the date of final installation, and the savings are guaranteed to
2.35 the extent necessary to make payments for the systems.

3.1 (c) "Qualified provider" means a person or business experienced in the design,
 3.2 implementation, and installation of energy conservation measures. A qualified provider
 3.3 to whom the contract is awarded shall give a sufficient bond to the school district for
 3.4 its faithful performance.

3.5 (d) "Commissioner" means the commissioner of commerce through the state energy
 3.6 office.

3.7 Sec. 29. Minnesota Statutes 2012, section 123B.65, subdivision 7, is amended to read:

3.8 Subd. 7. **District action.** A district may enter into a guaranteed energy-savings
 3.9 contract with a qualified provider if, after review of the report and the commissioner's
 3.10 evaluation if requested, or if required under section 216C.372, the board finds that the
 3.11 amount it would spend on the energy conservation measures recommended in the report is
 3.12 not likely to exceed the amount to be saved in energy and operation costs over ~~±5~~ 20 years
 3.13 from the date of installation if the recommendations in the report were followed, and the
 3.14 qualified provider provides a written guarantee that the energy or operating cost savings
 3.15 will meet or exceed the costs of the system. The guaranteed energy-savings contract may
 3.16 provide for payments over a period of time, not to exceed ~~±5~~ 20 years. Notwithstanding
 3.17 section 123B.79, a district annually may transfer from the general fund to the reserve for
 3.18 operating capital account an amount up to the amount saved in energy and operation costs
 3.19 as a result of guaranteed energy-savings contracts."

3.20 Page 43, after line 3, insert:

3.21 "Subd. 5. **Engineering report.** "Engineering report" has the meaning given in
 3.22 section 16C.144, subdivision 1, paragraph (k)."

3.23 Renumber the subdivisions in sequence

3.24 Page 43, line 29, delete everything after the period

3.25 Page 43, delete line 30

3.26 Page 43, line 31, before "A" insert "(a)"

3.27 Page 44, line 8, before the semicolon, insert ", including, where the source of
 3.28 matching funds is a guaranteed energy-savings contract entered into under section 16C.144
 3.29 or section 123B.54, or a lease purchase agreement entered into under section 16C.144, a
 3.30 copy of the proposed guaranteed energy-savings contract or lease purchase agreement"

3.31 Page 44, line 9, after "contractor" insert ", or an engineering report prepared by a
 3.32 contractor qualified through section 16C.144 or section 216C.43,"

3.33 Page 44, after line 13, insert "A school district may, in consultation with the
 3.34 commissioner of commerce, evaluate the use of the guaranteed energy savings program
 3.35 outlined in 16C.144 or an energy improvement financing program for local governments

4.1 outlined in section 216C.43 before making an application for the school energy
 4.2 conservation loan program."

4.3 Page 44, line 16, delete "and"

4.4 Page 44, line 17, before the period, insert

4.5 "; and

4.6 (4) finance no energy improvement whose useful life is less than the loan term"

4.7 Page 44, lines 19 and 20, after "audit" insert "or engineering report"

4.8 Page 44, after line 21, insert:

4.9 "Subd. 6. **Commissioner review.** The commissioner shall review applications filed
 4.10 under this section and shall notify a school district in writing of the decision to approve or
 4.11 disapprove the application. If the commissioner disapproves an application, the notice
 4.12 shall contain the reasons why the application was disapproved. If an approved application
 4.13 includes a proposed guaranteed energy-savings contract or lease purchase agreement as
 4.14 a source of matching funds, the notice shall contain the commissioner's comments and
 4.15 recommendations regarding the provisions of the guaranteed energy-savings contract or
 4.16 lease purchase agreement."

4.17 Renumber the subdivisions in sequence

4.18 Page 44, after line 30, insert:

4.19 "Sec. 31. Minnesota Statutes 2012, section 216C.10, is amended to read:

4.20 **216C.10 COMMISSIONER POWERS.**

4.21 (a) The commissioner may:

4.22 (1) adopt rules under chapter 14 as necessary to carry out the purposes of sections
 4.23 216C.05 to 216C.30;

4.24 (2) make all contracts under sections 216C.05 to 216C.30 and do all things necessary
 4.25 to cooperate with the United States government, and to qualify for, accept, and disburse
 4.26 any grant intended for the administration of sections 216C.05 to 216C.30;

4.27 (3) provide on-site technical assistance to units of local government in order to
 4.28 enhance local capabilities for dealing with energy problems;

4.29 (4) administer for the state, energy programs under federal law, regulations, or
 4.30 guidelines, and coordinate the programs and activities with other state agencies, units of
 4.31 local government, and educational institutions;

4.32 (5) develop a state energy investment plan with yearly energy conservation and
 4.33 alternative energy development goals, investment targets, and marketing strategies;

4.34 (6) perform market analysis studies relating to conservation, alternative and
 4.35 renewable energy resources, and energy recovery;

5.1 (7) assist with the preparation of proposals for innovative conservation, renewable,
5.2 alternative, or energy recovery projects;

5.3 (8) manage and disburse funds made available for the purpose of research studies
5.4 or demonstration projects related to energy conservation or other activities deemed
5.5 appropriate by the commissioner;

5.6 (9) intervene in certificate of need proceedings before the Public Utilities
5.7 Commission;

5.8 (10) collect fees from recipients of loans, grants, or other financial aid from money
5.9 received from litigation or settlement of alleged violations of federal petroleum-pricing
5.10 regulations, which fees must be used to pay the department's costs in administering those
5.11 financial aids; ~~and~~

5.12 (11) collect fees from proposers and operators of conservation and other
5.13 energy-related programs that are reviewed, evaluated, or approved by the department,
5.14 other than proposers that are political subdivisions or community or nonprofit
5.15 organizations, to cover the department's cost in making the reviewal, evaluation, or
5.16 approval and in developing additional programs for others to operate; and

5.17 (12) fix, charge, and collect fees from state agencies, units of local government,
5.18 education institutions, and others that use the department's technical support services
5.19 during a guaranteed energy savings program contract under sections 16C.144, 123B.65,
5.20 and 471.345, or during an energy improvement financing program for local governments
5.21 under section 216C.43, to make those services self-funding. An energy performance
5.22 contracting fund is established as a special revenue account in the state treasury. Fees
5.23 collected and interest, dividends, and any other earnings arising from fund assets, must
5.24 be credited to the fund.

5.25 (b) Notwithstanding any other law, the commissioner is designated the state agent to
5.26 apply for, receive, and accept federal or other funds made available to the state for the
5.27 purposes of sections 216C.05 to 216C.30."

5.28 Renumber the sections in sequence and correct the internal references

5.29 Amend the title accordingly