

# House Research Act Summary

**CHAPTER:** 260

**SESSION:** 2002 Regular Session

**TOPIC:** Energy savings contracts

**Date:** March 25, 2002

**Analyst:** Mark Shepard

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: [www.house.mn/hrd](http://www.house.mn/hrd).

---

## Overview

Amends laws that authorize the commissioner of administration to enter into guaranteed energy savings contracts.

- Energy efficiency installments purchases.** Under current law, the commissioner of administration may contract to purchase by installment payments capital or other equipment or services intended to improve energy efficiency of a state building or facility. This section amends some of the conditions for these contracts.
  - provides the contracts may be used for purposes of reducing energy costs (in addition to the provision of current law stating that the contracts are to improve energy efficiency);
  - extends the maximum term of the contracts from 10 to 15 years, and extends the maximum payback from 10 to 15 years, beginning at completion of the project;
  - provides that the savings used to determine cost of the contract includes measurable operating costs (as well as the savings in energy costs under current law);Permits the state and the contract vendor to agree to a reasonable floor price for each type of energy used in the savings calculations at the time of contract execution.