



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB0718

Introduced 02/01/05, by Rep. Harry Osterman

SYNOPSIS AS INTRODUCED:

- 50 ILCS 515/5
- 50 ILCS 515/15
- 50 ILCS 515/20
- 105 ILCS 5/19b-1.1 from Ch. 122, par. 19b-1.1
- 105 ILCS 5/19b-1.5 new
- 110 ILCS 62/5-10
- 110 ILCS 62/5-23 new
- 110 ILCS 62/15
- 110 ILCS 62/20
- 110 ILCS 805/5A-10
- 110 ILCS 805/5A-23 new
- 110 ILCS 805/5A-35
- 110 ILCS 805/5A-40

Amends the Local Government Energy Conservation Act, the School Code, the Public University Energy Conservation Act, and the Public Community College Act. Defines "related capital expenditures". Defines "energy conservation measure" to include energy conservation measures that reduce energy consumption or reduce operating costs, including future labor costs, future costs for contracted services, and related capital expenditures. Defines "related capital expenditures". Provides that a unit of local government, public university, or public community college may enter into a guaranteed energy savings contract if it finds that the amount it would spend on the energy conservation measures recommended in the proposal would not exceed the amount to be saved in either energy or operational costs, or both, within a 20-year period (now, a 10-year period) from the date of installation, if the recommendations in the proposal are followed. Makes corresponding changes. For purposes of the Local Government Energy Conservation Act, defines "unit of local government" to include park districts. Effective immediately.

LRB094 04171 MKM 34983 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning energy conservation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Local Government Energy Conservation Act is
5 amended by changing Sections 5, 15, and 20 as follows:

6 (50 ILCS 515/5)

7 Sec. 5. Definitions. As used in this Act, unless the
8 context clearly requires otherwise:

9 "Energy conservation measure" means any improvement,
10 repair, alteration, or betterment of any building or facility
11 owned or operated by a unit of local government or any
12 equipment, fixture, or furnishing to be added to or used in any
13 such building or facility that is designed to reduce energy
14 consumption or operating costs, and may include, without
15 limitation, one or more of the following:

16 (1) Insulation of the building structure or systems
17 within the building.

18 (2) Storm windows or doors, caulking or
19 weatherstripping, multiglazed windows or doors, heat
20 absorbing or heat reflective glazed and coated window or
21 door systems, additional glazing, reductions in glass
22 area, or other window and door system modifications that
23 reduce energy consumption.

24 (3) Automated or computerized energy control systems.

25 (4) Heating, ventilating, or air conditioning system
26 modifications or replacements.

27 (5) Replacement or modification of lighting fixtures
28 to increase the energy efficiency of the lighting system
29 without increasing the overall illumination of a facility,
30 unless an increase in illumination is necessary to conform
31 to the applicable State or local building code for the
32 lighting system after the proposed modifications are made.

1 (6) Energy recovery systems.

2 (7) (Blank). ~~Energy conservation measures that provide~~
3 ~~long term operating cost reductions.~~

4 (8) Other energy conservation measures that reduce
5 energy consumption or reduce operating costs, including
6 future labor costs, future costs for contracted services,
7 and related capital expenditures.

8 "Guaranteed energy savings contract" means a contract for:

9 (i) the implementation of an energy audit, data collection, and
10 other related analyses preliminary to the undertaking of energy
11 conservation measures; (ii) the evaluation and recommendation
12 of energy conservation measures; (iii) the implementation of
13 one or more energy conservation measures; and (iv) the
14 implementation of project monitoring and data collection to
15 verify post-installation energy consumption and energy-related
16 operating costs. The contract shall provide that all payments,
17 except obligations on termination of the contract before its
18 expiration, are to be made over time and that the savings are
19 guaranteed to the extent necessary to pay the costs of the
20 energy conservation measures.

21 "Qualified provider" means a person or business whose
22 employees are experienced and trained in the design,
23 implementation, or installation of energy conservation
24 measures. The minimum training required for any person or
25 employee under this paragraph shall be the satisfactory
26 completion of at least 40 hours of course instruction dealing
27 with energy conservation measures. A qualified provider to whom
28 the contract is awarded shall give a sufficient bond to the
29 unit of local government for its faithful performance.

30 "Related capital expenditures" includes the following
31 capital costs:

32 (1) costs that the unit of local government reasonably
33 believes will be incurred during the contract term;

34 (2) costs that are part of or are causally connected to
35 the energy conservation measures being implemented;

36 (3) costs that are documented by industry engineering

1 standards.

2 "Request for proposals" means a negotiated procurement.
3 The request for proposals shall be announced through at least
4 one public notice, at least 10 days before the request date in
5 a newspaper published in the territory comprising the unit of
6 local government or, if no newspaper is published in that
7 territory, in a newspaper of general circulation in the area of
8 the unit of local government, from a unit of local government
9 that will administer the program, requesting innovative
10 solutions and proposals for energy conservation measures.
11 Proposals submitted shall be sealed. The request for proposals
12 shall include all of the following:

13 (1) The name and address of the unit of local
14 government.

15 (2) The name, address, title, and phone number of a
16 contact person.

17 (3) Notice indicating that the unit of local government
18 is requesting qualified providers to propose energy
19 conservation measures through a guaranteed energy savings
20 contract.

21 (4) The date, time, and place where proposals must be
22 received.

23 (5) The evaluation criteria for assessing the
24 proposals.

25 (6) Any other stipulations and clarifications the unit
26 of local government may require.

27 "Unit of local government" means a county, township, ~~or~~
28 municipality, or park district.

29 (Source: P.A. 88-173.)

30 (50 ILCS 515/15)

31 Sec. 15. Award of guaranteed energy savings contract.
32 Sealed proposals must be opened by a member of the unit of
33 local government's governing body or an employee of the unit of
34 local government at a public opening at which the contents of
35 the proposals must be announced. Each person or entity

1 submitting a sealed proposal must receive at least 10 days
2 notice of the time and place of the opening. The unit of local
3 government shall select the qualified provider that best meets
4 the needs of the unit of local government. The unit of local
5 government shall provide public notice of (i) the meeting at
6 which it proposes to award a guaranteed energy savings
7 contract, (ii) the names of the parties to the proposed
8 contract, and (iii) the purpose of the contract. The public
9 notice shall be made at least 10 days prior to the meeting.
10 After evaluating the proposals under Section 10, a unit of
11 local government may enter into a guaranteed energy savings
12 contract with a qualified provider if it finds that the amount
13 it would spend on the energy conservation measures recommended
14 in the proposal would not exceed the amount to be saved in
15 either energy or operational costs, or both, within a 20-year
16 ~~10-year~~ period from the date of installation, if the
17 recommendations in the proposal are followed.

18 (Source: P.A. 88-173.)

19 (50 ILCS 515/20)

20 Sec. 20. Guarantee. The guaranteed energy savings contract
21 shall include a written guarantee of the qualified provider
22 that either the energy or operational cost savings, or both,
23 will meet or exceed within 20 ~~10~~ years the costs of the energy
24 conservation measures. The qualified provider shall reimburse
25 the unit of local government for any shortfall of guaranteed
26 energy savings projected in the contract. A qualified provider
27 shall provide a sufficient bond to the unit of local government
28 for the installation and the faithful performance of all the
29 measures included in the contract. The guaranteed energy
30 savings contract may provide for payments over a period of
31 time, not to exceed 20 ~~10~~ years from the date of the final
32 installation of the measures.

33 (Source: P.A. 88-173; 88-615, eff. 9-9-94.)

34 Section 10. The School Code is amended by changing Section

1 19b-1.1 and by adding Section 19b-1.5 as follows:

2 (105 ILCS 5/19b-1.1) (from Ch. 122, par. 19b-1.1)

3 Sec. 19b-1.1. Energy conservation measure. "Energy
4 conservation measure" means any improvement, repair,
5 alteration, or betterment of any building or facility owned or
6 operated by a school district or area vocational center or any
7 equipment, fixture, or furnishing to be added to or used in any
8 such building or facility that is designed to reduce energy
9 consumption or operating costs, and may include, without
10 limitation, one or more of the following:

11 (1) Insulation of the building structure or systems
12 within the building.

13 (2) Storm windows or doors, caulking or
14 weatherstripping, multiglazed windows or doors, heat
15 absorbing or heat reflective glazed and coated window or
16 door systems, additional glazing, reductions in glass
17 area, or other window and door system modifications that
18 reduce energy consumption.

19 (3) Automated or computerized energy control systems.

20 (4) Heating, ventilating, or air conditioning system
21 modifications or replacements.

22 (5) Replacement or modification of lighting fixtures
23 to increase the energy efficiency of the lighting system
24 without increasing the overall illumination of a facility,
25 unless an increase in illumination is necessary to conform
26 to the applicable State or local building code for the
27 lighting system after the proposed modifications are made.

28 (6) Energy recovery systems.

29 (7) (Blank). ~~Energy conservation measures that provide~~
30 ~~long-term operating cost reductions.~~

31 (8) Other energy conservation measures that reduce
32 energy consumption or reduce operating costs, including
33 future labor costs, future costs for contracted services,
34 and related capital expenditures.

35 (Source: P.A. 92-767, eff. 8-6-02.)

1 (105 ILCS 5/19b-1.5 new)

2 Sec. 19b-1.5. Related capital expenditures. "Related
3 capital expenditures" includes the following capital costs:

4 (1) costs that the school district or area vocational
5 center reasonably believes will be incurred during the
6 contract term;

7 (2) costs that are part of or are causally connected to
8 energy conservation measures; and

9 (3) costs that are documented by industry engineering
10 standards.

11 Section 15. The Public University Energy Conservation Act
12 is amended by changing Sections 5-10, 15, and 20 and by adding
13 Section 5-23 as follows:

14 (110 ILCS 62/5-10)

15 Sec. 5-10. Energy conservation measure. "Energy
16 conservation measure" means any improvement, repair,
17 alteration, or betterment of any building or facility owned or
18 operated by a public university or any equipment, fixture, or
19 furnishing to be added to or used in any such building or
20 facility that is designed to reduce energy consumption or
21 operating costs, and may include, without limitation, one or
22 more of the following:

23 (1) Insulation of the building structure or systems
24 within the building.

25 (2) Storm windows or doors, caulking or
26 weatherstripping, multiglazed windows or doors, heat
27 absorbing or heat reflective glazed and coated window or
28 door systems, additional glazing, reductions in glass
29 area, or other window and door system modifications that
30 reduce energy consumption.

31 (3) Automated or computerized energy control systems.

32 (4) Heating, ventilating, or air conditioning system
33 modifications or replacements.

1 (5) Replacement or modification of lighting fixtures
2 to increase the energy efficiency of the lighting system
3 without increasing the overall illumination of a facility,
4 unless an increase in illumination is necessary to conform
5 to the applicable State or local building code for the
6 lighting system after the proposed modifications are made.

7 (6) Energy recovery systems.

8 (7) ~~(Blank). Energy conservation measures that provide~~
9 ~~long term operating cost reductions.~~

10 (8) Other energy conservation measures that reduce
11 energy consumption or reduce operating costs, including
12 future labor costs, future costs for contracted services,
13 and related capital expenditures.

14 (Source: P.A. 90-486, eff. 8-17-97.)

15 (110 ILCS 62/5-23 new)

16 Sec. 5-23. Related capital expenditures."Related capital
17 expenditures" includes the following capital costs:

18 (1) costs that the public university reasonably
19 believes will be incurred during the contract term;

20 (2) costs that are part of or are causally connected to
21 energy conservation measures; and

22 (3) costs that are documented by industry engineering
23 standards.

24 (110 ILCS 62/15)

25 Sec. 15. Award of guaranteed energy savings contract.
26 Sealed proposals must be opened by the public university's
27 board of trustees or a designee of that board at a public
28 opening at which the contents of the proposals must be
29 announced. Each person or entity submitting a sealed proposal
30 must receive at least 10 days notice of the time and place of
31 the opening. The public university shall select the qualified
32 provider that best meets the needs of the district. The public
33 university shall provide public notice of the meeting at which
34 it proposes to award a guaranteed energy savings contract and

1 of the names of the parties to the proposed contract and the
2 purpose of the contract. The public notice shall be made at
3 least 10 days prior to the meeting. After evaluating the
4 proposals under Section 10, a public university may enter into
5 a guaranteed energy savings contract with a qualified provider
6 if it finds that the amount it would spend on the energy
7 conservation measures recommended in the proposal would not
8 exceed the amount to be saved in either energy or operational
9 costs, or both, within a 20-year ~~10-year~~ period from the date
10 of installation, if the recommendations in the proposal are
11 followed.

12 (Source: P.A. 90-486, eff. 8-17-97.)

13 (110 ILCS 62/20)

14 Sec. 20. Guarantee. The guaranteed energy savings contract
15 shall include a written guarantee of the qualified provider
16 that either the energy or operational cost savings, or both,
17 will meet or exceed within 20 ~~10~~ years the costs of the energy
18 conservation measures. The qualified provider shall reimburse
19 the public university for any shortfall of guaranteed energy
20 savings projected in the contract. A qualified provider shall
21 provide a sufficient bond to the public university for the
22 installation and the faithful performance of all the measures
23 included in the contract. The guaranteed energy savings
24 contract may provide for payments over a period of time, not to
25 exceed 20 ~~10~~ years from the date of final installation of the
26 measures.

27 (Source: P.A. 90-486, eff. 8-17-97.)

28 Section 20. The Public Community College Act is amended by
29 changing Sections 5A-10, 5A-35, and 5A-40 and by adding Section
30 5A-23 as follows:

31 (110 ILCS 805/5A-10)

32 Sec. 5A-10. Energy conservation measure. "Energy
33 conservation measure" means any improvement, repair,

1 alteration, or betterment of any building or facility owned or
2 operated by a community college district or any equipment,
3 fixture, or furnishing to be added to or used in any such
4 building or facility that is designed to reduce energy
5 consumption or operating costs, and may include, without
6 limitation, one or more of the following:

7 (1) Insulation of the building structure or systems
8 within the building.

9 (2) Storm windows or doors, caulking or
10 weatherstripping, multiglazed windows or doors, heat
11 absorbing or heat reflective glazed and coated window or
12 door systems, additional glazing, reductions in glass
13 area, or other window and door system modifications that
14 reduce energy consumption.

15 (3) Automated or computerized energy control systems.

16 (4) Heating, ventilating, or air conditioning system
17 modifications or replacements.

18 (5) Replacement or modification of lighting fixtures
19 to increase the energy efficiency of the lighting system
20 without increasing the overall illumination of a facility,
21 unless an increase in illumination is necessary to conform
22 to the applicable State or local building code for the
23 lighting system after the proposed modifications are made.

24 (6) Energy recovery systems.

25 (7) (Blank). ~~Energy conservation measures that provide~~
26 ~~long term operating cost reductions.~~

27 (8) Other energy conservation measures that reduce
28 energy consumption or reduce operating costs, including
29 future labor costs, future costs for contracted services,
30 and related capital expenditures.

31 (Source: P.A. 88-173.)

32 (110 ILCS 805/5A-23 new)

33 Sec. 5A-23. Related capital expenditures. "Related capital
34 expenditures" includes the following capital costs:

35 (1) costs that the public university reasonably

1 believes will be incurred during the contract term;

2 (2) costs that are part of or are causally connected to
3 energy conservation measures being implemented; and

4 (3) costs that are documented by industry engineering
5 standards.

6
7 (110 ILCS 805/5A-35)

8 Sec. 5A-35. Award of guaranteed energy savings contract.
9 Sealed proposals must be opened by a member or employee of the
10 community college board at a public opening at which the
11 contents of the proposals must be announced. Each person or
12 entity submitting a sealed proposal must receive at least 10
13 days notice of the time and place of the opening. The community
14 college district shall select the qualified provider that best
15 meets the needs of the district. The community college district
16 shall provide public notice of the meeting at which it proposes
17 to award a guaranteed energy savings contract of the names of
18 the parties to the proposed contract and of the purpose of the
19 contract. The public notice shall be made at least 10 days
20 prior to the meeting. After evaluating the proposals under
21 Section 5A-30, a community college district may enter into a
22 guaranteed energy savings contract with a qualified provider if
23 it finds that the amount it would spend on the energy
24 conservation measures recommended in the proposal would not
25 exceed the amount to be saved in either energy or operational
26 costs, or both, within a 20-year ~~10-year~~ period from the date
27 of installation, if the recommendations in the proposal are
28 followed.

29 (Source: P.A. 88-173.)

30 (110 ILCS 805/5A-40)

31 Sec. 5A-40. Guarantee. The guaranteed energy savings
32 contract shall include a written guarantee of the qualified
33 provider that either the energy or operational cost savings, or
34 both, will meet or exceed within 20 ~~10~~ years the costs of the

1 energy conservation measures. The qualified provider shall
2 reimburse the community college district for any shortfall of
3 guaranteed energy savings projected in the contract. A
4 qualified provider shall provide a sufficient bond to the
5 community college district for the installation and the
6 faithful performance of all the measures included in the
7 contract. The guaranteed energy savings contract may provide
8 for payments over a period of time, not to exceed 20 ~~10~~ years
9 from the date of final installation of the measures.
10 (Source: P.A. 88-173; 88-615, eff. 9-9-94.)

11 Section 99. Effective date. This Act takes effect upon
12 becoming law.