

## §1770. Energy savings pilot program

**1. Goal.** The Legislature finds it is in the best interests of the State to significantly reduce its energy consumption to the extent possible without interfering with other goals, plans and policies of the State. The energy reduction goal, referred to in this section as the "goal," for facilities owned by the State is, by 2010, a 25% reduction in energy consumption relative to baseline consumption in 1998, as long as the achievement of the goal is accomplished in a manner that:

- A. Is consistent with all applicable laws; and [PL 1999, c. 735, §1 (NEW).]
- B. Does not interfere with other goals, plans or policies of the State. [PL 1999, c. 735, §1 (NEW).]

For purposes of this subsection, "facilities owned by the State" includes all facilities that consume energy and that are owned by the legislative, judicial or executive branches of government, any state department, agency or authority, the University of Maine System or the Maine Community College System.

[PL 1999, c. 735, §1 (NEW); PL 2003, c. 20, Pt. OO, §2 (AMD); PL 2003, c. 20, Pt. OO, §4 (AFF).]

**2. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

- A. "Department" means the Department of Administrative and Financial Services. [PL 1999, c. 735, §1 (NEW).]
- B. "Energy service company" means a company with the technical, operational, financial and managerial capabilities to implement performance-based contracts that result in energy and operational cost savings including the capability:
  - (1) To design, implement and install energy efficiency and facility improvement measures;
  - (2) To secure necessary financial measures to support energy savings guarantees; and
  - (3) To ensure energy and operational cost savings. [PL 1999, c. 735, §1 (NEW).]

C. "Performance-based contract" means a contract with an energy service company for evaluation, recommendation or implementation of one or more energy-saving measures. A performance-based contract may be structured as:

- (1) A guaranteed energy savings performance contract that includes the design and installation of equipment and, if applicable, operation and maintenance of any of the energy-saving measures implemented and that guarantees annual savings that meet or exceed the total annual contract payments made by the State under the contract;
- (2) A shared savings contract that includes provisions mutually agreed upon by the State and the energy service company as to the negotiated rate of payments based upon energy and operational cost savings and a stipulated maximum energy consumption level over the life of the contract; or
- (3) Any other form of performance-based contract established by the department by rule. [PL 1999, c. 735, §1 (NEW).]

[PL 1999, c. 735, §1 (NEW).]

**3. Pilot project.** The department shall develop an energy savings pilot project, referred to in this section as the "pilot project," designed to achieve by 2010 a 25% reduction in energy consumption relative to baseline consumption in 1998 by facilities included in the pilot project. The department shall use performance-based contracts to achieve the energy savings. By September 1, 2000, the department shall:

A. Identify at least 10 facilities that are over 40,000 square feet for inclusion in the pilot project. The 10 facilities may include facilities that through modifications or renovations could achieve reduced energy consumption and facilities that could be replaced by new facilities that will consume less energy; and [PL 1999, c. 735, §1 (NEW).]

B. Establish a process for soliciting proposals from energy service companies and for selecting energy service providers. The process must include a requirement that an energy service provider who submits a proposal to undertake a project provide a feasibility analysis for that project. The process may also include a requirement that an energy service company initially selected to undertake a project provide, prior to contracting, a financial-grade energy audit. [PL 1999, c. 735, §1 (NEW).]

[PL 1999, c. 735, §1 (NEW).]

**4. Plan development and implementation.** The department shall use available data, including data collected from life-cycle cost evaluations undertaken pursuant to this chapter, and shall consult with agencies with relevant expertise to develop the pilot project and to choose facilities for inclusion in the pilot project.

[PL 1999, c. 735, §1 (NEW).]

**5. Reporting.** The department shall report annually to the joint standing committee of the Legislature having jurisdiction over utilities and energy matters by the first business day in February on:

A. The status of plans or efforts to achieve the goal and the extent of projected or actual energy savings relative to the goal; and [PL 1999, c. 735, §1 (NEW).]

B. The status of the pilot project, including projected and actual energy savings for each facility included in the pilot project and the number and a description of the energy service companies that responded to the request for proposals and descriptions of all contracts entered into pursuant to the pilot project. [PL 1999, c. 735, §1 (NEW).]

[PL 1999, c. 735, §1 (NEW).]

**6. Rules.** The department may establish by rule procedures and policies that facilitate the implementation of the pilot project, including, but not limited to, a process for prequalifying energy service companies and procedures that encourage a comprehensive approach to the achievement of energy savings. Rules adopted pursuant to this section are major substantive rules as defined in Title 5, chapter 375, subchapter II-A. The department shall submit to the Legislature provisionally adopted rules no later than the first business day in February 2001.

[PL 1999, c. 735, §1 (NEW).]

## SECTION HISTORY

PL 1999, c. 735, §1 (NEW). PL 2003, c. 20, §OO2 (AMD). PL 2003, c. 20, §OO4 (AFF).

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