



**H.B. 594**

126th General Assembly  
(As Introduced)

**Reps. Wagoner, Perry, Brown, Ujvagi**

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**BILL SUMMARY**

- Requires that the amount spent by counties on energy conservation measures be unlikely to exceed the amount saved in energy and operating costs over the average system life of the measures.
- Requires the finance terms of an installment payment contract for county energy conservation measures to provide that not less than a specified percentage of the contract costs must be paid within two years of the purchase date and that the remaining balance must be paid within the average system life of the measures.

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**CONTENT AND OPERATION**

**Current law**

Under current law, a county desiring to implement "energy conservation measures" (see **COMMENT 1**) for county buildings may advertise for bids based on a professional analysis and recommendation of a building's energy conservation needs (see **COMMENT 2**) or, as an alternative, may request proposals for the installation of such measures from at least three vendors after advertising its intent to request those proposals (see **COMMENT 3**) (R.C. 307.041(C)).

After a county receives bids or proposals, it must analyze them and then (1) may reject all proposals or (2) may select the bid or proposal (or possibly more than one bid or proposal) *most likely to result in the greatest energy savings* (after considering certain factors--see **COMMENT 4**). However, a contract may be awarded only if the county "contracting authority" finds that the amount of money spent on the energy conservation measures is not likely to exceed the amount of money the county would save in energy and operating costs over ten years or a lesser period as determined by the contracting authority, or, in the case of contracts for cogeneration systems, over five years or a lesser period as

determined by the contracting authority. (R.C. 307.041(C).) And, the *financing terms* of any *installment payment contract* for the purchase and installation of energy conservation measures are required to provide for (1) one-tenth of the costs to be paid within two years from the date of purchase and (2) the remaining balance to be paid within ten years or, in the case of a contract for cogeneration systems, within five years of the date of purchase (R.C. 307.041(D)). (See **COMMENT 5**.)

### **Changes proposed by the bill**

The bill modifies these energy conservation measures provisions in the following three respects:

(1) It specifies that, upon receiving bids or proposals, after analyzing them, and after considering continuing law's specified factors (see **COMMENT 4**), a county must select (a) *the lowest and best bid or bids* or (b) the proposal or proposals, that, in either case, is or are most likely to result in the greatest energy savings (R.C. 307.041(C)(2)).

(2) The award of an energy conservation measures contract must be conditioned upon the county "contracting authority" finding that the amount of money spent on the energy conservation measures is not likely to exceed the amount of money the county would save in energy and operating costs over the *average system life of the measures*. Thus, the bill removes current law's general "ten years or less" period and cogeneration system exceptional "five years or less" period. (R.C. 307.041(C)(2).)

(3) The financing terms in installment payment contracts for energy conservation measures instead must specify that (a) not less than a *specified percentage* (replacing one-tenth) of the contract costs must be paid within two years of the purchase date and (b) the remaining balance must be paid within the *average system life of the measures* (R.C. 307.041(D)).

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## **COMMENT**

1. "Energy conservation measure" generally means an installation or modification of an installation in, or remodeling of, an existing building, to reduce energy consumption, and specifically includes the following (R.C. 307.041(A)):

(a) Insulation of the building structure and of systems within the building;

(b) Storm windows and doors, multiglazed windows and doors, heat-absorbing or heat-reflective glazed and coated window and door systems,

additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption;

(c) Automatic energy control systems;

(d) Heating, ventilating, or air conditioning system modifications or replacements;

(e) Caulking and weather-stripping;

(f) Replacement or modification of lighting fixtures to increase the energy efficiency of the system without increasing the overall illumination of a facility, unless that increase in illumination is necessary to conform to the applicable state or local building code for the proposed lighting system;

(g) Energy recovery systems;

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

(i) Any other modification, installation, or remodeling approved by the board of county commissioners as an energy conservation measure.

2. Under current law, for the purpose of evaluating county buildings for energy conservation measures, a county may contract with an architect, professional engineer, energy services company, contractor, or other person experienced in the design and implementation of those types of measures for a *report* that analyzes the buildings' energy needs and presents recommendations for building installations, modifications of existing installations, or building remodeling that would significantly reduce energy consumption. The report must include estimates of all costs of the installations, modifications, or remodeling (including design, engineering, installation, maintenance, and repair costs) and estimates of the amounts by which energy consumption could be reduced. (R.C. 307.041(B).)

3. Under current law, notwithstanding the County Competitive Bidding Law, a county may request proposals from at least three vendors for the implementation of energy conservation measures. But, before sending any installer of those measures a copy of any request for proposals (RFPs), the county must publish, in a newspaper of general circulation in the county once a week for two consecutive weeks, a notice stating its intent to request proposals for the installation of such measures, indicating the date (at least ten days after the second publication) on which the RFPs will be mailed to installers of such measures; and stating that any installer of such measures interested in receiving the RFP must



submit written notice to the county not later than noon of the day on which the RFP will be mailed. (R.C. 307.041(C).)

4. Under continuing law, a county must determine the bid(s) or proposal(s) most likely to result in the greatest energy savings by considering (a) the cost of the project in question and (b) its ability to pay for the improvements with current revenues or by financing them (R.C. 307.041(C)).

5. Under continuing law, a board of county commissioners may issue specified notes of the county setting forth the terms of a purchase of energy conservation measures and securing any deferred payments for them (R.C. 307.041(E)). It appears the word "bonds" in line 119 of this continuing law should be "notes."

6. Under R.C. 307.92 (not in the bill), a "contracting authority" for purposes of the County Competitive Bidding Law means any board, department, commission, authority, trustee, official, administrator, agent, or individual which has authority to contract for or on behalf of the county or any agency, department, authority, commission, office, or board thereof.

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## HISTORY

ACTION	DATE
Introduced	05-16-06

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