

COST-EFFECTIVE GOVERNMENTAL ENERGY USE ACT (EXCERPT)
Act 625 of 2012

18.1717 Program of energy performance contracts; department as lead agency; duties; evaluation of providers; criteria.

Sec. 7. (1) The department is the lead agency for the development and promotion of a program of energy performance contracts in governmental units. The department shall do all of the following with respect to this program:

(a) Assemble a list of qualified energy service providers through a request for qualifications process and a list of standardized tools and contract templates.

(b) Develop a standardized energy performance contract process and standard energy performance contract documents, including all of the following:

(i) A request for qualifications.

(ii) An investment grade audit and energy services contract.

(iii) Guidelines and an approval process for awarding energy performance contracts that allow the governmental unit to contract with a qualified energy service provider for an investment grade audit to be performed at any building, structure, or facility. Under the contract, the energy service company shall prepare a report containing a description of the physical modifications to be performed to the building, structure, or facility that are required to effect specific future energy savings within a specified period and a determination of the minimum savings in energy usage that will be realized by the governmental unit from making these modifications within that period. After review of the investment grade audit report and subject to approval, the governmental unit may contract with the qualified energy service provider for construction work to be performed at the building, structure, or facility for the purpose of realizing potential savings of future energy costs identified in the audit if the department determines that the anticipated savings to the governmental unit after completion of the work will enable recovery of the costs of the work within a maximum of 15 years or the average useful life of the measures.

(c) Promote the energy performance contract program to all governmental units.

(d) The department shall make the qualified list of qualified energy service providers, standardized tools, and contract templates available to local units of government and public entities.

(2) The criteria used by the department for the evaluation of qualified energy service providers may include, but not be limited to, all of the following substantive factors to assess the capability of the qualified energy service provider in the areas of design, engineering, installation, maintenance, and repairs associated with energy performance contracts:

(a) Experience in conversions to a different energy or fuel source associated with a comprehensive energy efficiency retrofit.

(b) Experience and capabilities in post-installation project monitoring, data collection, and reporting of savings.

(c) Overall project experience and qualifications.

(d) Management capability.

(e) Experience with projects of similar size and scope.

(f) The financial ability to cover energy guarantees, the procurement of bonds or insurance, and the financial ability to cover energy guarantees as demonstrated by audited financial statements.

(g) Other factors proposed by a governmental unit and determined by the department to be relevant, appropriate, and related to the ability to perform the project.

History: 2012, Act 625, Eff. Mar. 28, 2013.