



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 212** SLS 25RS 394

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 29, 2025	2:26 PM	Author: MCMATH
Dept./Agy.: Statewide		
Subject: Energy Efficiency Contracts		Analyst: Kimberly Fruge

CONTRACTS

Provides for energy efficiency contracts. (8/1/25)

OR SEE FISC NOTE LF EX

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Present law allows political subdivisions to enter into performance-based energy efficiency contracts for services and equipment; requires such contracts be based on annual cost savings; requires the political subdivision, before entering a contract, to select an energy efficiency independent third-party evaluation consultant to review and evaluate the submitted proposals; requires request for proposals for performance-based energy efficiency contracts.

Proposed law requires performance-based energy efficiency contracts be based on the total cost savings over the term of the contract; requires the political subdivision engage with an energy efficiency independent third-party evaluation consultant, unless the total proposed projected cost is less than \$500,000; allows two or more political subdivisions to engage an energy efficiency independent third-party evaluation consultant jointly; allows a political subdivision to require the completion of an investment grade audit by a qualified proposer before executing the contract and allows the cost to be a reimbursable expenses; provides for alternative structures; allows the political subdivision issue a request for qualifications.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law may result in an indeterminable change in Local Fund expenditures; however, such changes are nuanced and situational. Proposed law provides for various changes for political subdivisions to enter into energy efficiency contracts.

To the extent political subdivisions are allowed to forego an energy efficiency independent third-party evaluation consultant for projects less than \$500,000 or political subdivisions jointly engage an evaluation consultant, there may be a decrease in expenditures. Any such decrease is indeterminable at this time.

Proposed law also allows a political subdivision to require the completion of an investment grade audit by a qualified proposer prior to executing the contract and allows the audit to be a reimbursable expense. Under current law, any expenditure incurred by local governments to enter into energy efficiency contracts shall be no greater than the amount of savings that will result from the contract. To the extent the proposer is required to provide an investment grade audit and includes such expenses in the overall cost of the contract, the realized savings of entering into the contract may decrease.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate

Dual Referral Rules

House

- ☐ 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
- ☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

- ☐ 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
- ☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Patrice Thomas
Deputy Fiscal Officer