

RÉSUMÉ DIGEST

ACT 451 (SB 212)

2025 Regular Session

McMath

Existing law authorizes political subdivisions to enter into performance-based energy efficiency contracts for services and equipment.

Prior law required political subdivision to issue requests for proposals to solicit project bids and requires certain information to be included in the bids.

New law changes the method of procurement from requests for proposals to requests for qualifications to allow political subdivisions to select a vendor before requiring proposers to complete full project proposals.

Existing law requires performance-based energy efficiency contracts to be based on total energy cost savings.

New law retains existing law.

Prior law defined "annual energy savings".

New law redefines "annual energy savings" to mean, when calculating annual energy cost savings attributable to the services or equipment installed pursuant to a performance-based energy efficiency contract, the savings in reductions in utility costs, including electricity, gas, water, propane, oil, diesel, steam or other fuels, and may include capital cost avoidance, deferred maintenance, labor savings, and increased revenues from utility infrastructure upgrades or optimization.

Prior law required political subdivisions to select an energy efficiency independent third-party evaluation consultant to review and evaluate submitted proposals.

New law provides that prior to award of any contract, a political subdivision shall engage an energy efficiency independent third-party evaluation consultant.

New law authorizes political subdivisions to require an investment grade audit prior to executing a contract and provides for payments for the audits.

New law authorizes the use of different structures of performance-based energy efficiency contracts.

Effective August 1, 2025.

(Amends R.S. 33:4547.1(C), (E)(1), and (F)(2)(g) and 4547.2(A)-(F); adds R.S. 33:4547.1(G)-(I); repeals R.S. 33:4547.2(G) and (H))