House Engrossed

FILED

JANICE K. BREWER
SECRETARY OF STATE

State of Arizona
House of Representatives
Forty-eighth Legislature
First Regular Session
2007

CHAPTER 150

HOUSE BILL 2496

AN ACT

AMENDING TITLE 15, CHAPTER 2, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-213.02; RELATING TO SCHOOL ENERGY AND WATER USE EFFICIENCY PROGRAMS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Title 15, chapter 2, article 1, Arizona Revised Statutes, is amended by adding section 15-213.02, to read:

15-213.02. Program for school energy and water use efficiency programs; definitions

A. THE PROGRAM FOR SCHOOL ENERGY AND WATER USE EFFICIENCY IS ESTABLISHED WITHIN THE DEPARTMENT. THE PROGRAM IS VOLUNTARY AND IS DESIGNED TO FACILITATE COOPERATION BETWEEN UTILITY COMPANIES AND SCHOOLS TO INCREASE ENERGY OR WATER USE EFFICIENCY AND TO REDUCE ENERGY OR WATER COSTS FOR SCHOOLS. A SCHOOL DISTRICT OR CHARTER SCHOOL THAT CHOOSES TO PARTICIPATE IN THE PROGRAM SHALL CONTRACT WITH A UTILITY COMPANY THAT PROVIDES RETAIL ELECTRIC, NATURAL GAS OR WATER SERVICE TO THE SCHOOL TO FINANCE ENERGY OR WATER SAVINGS AT SCHOOL DISTRICT OR CHARTER SCHOOL BUILDINGS. THE UTILITY COMPANY SHALL FUND THE ENERGY OR WATER SAVINGS MEASURES AND THE SCHOOL DISTRICT OR CHARTER SCHOOL SHALL REPAY THE UTILITY COMPANY INVESTMENT BY AN ENERGY OR WATER CHARGE ON ITS UTILITY BILL EQUIVALENT TO THE ENERGY OR WATER SAVED BY THE ENERGY SAVINGS MEASURE.

B. SCHOOL DISTRICTS AND CHARTER SCHOOLS THAT WISH TO PARTICIPATE IN THE PROGRAM SHALL:

1. NEGOTIATE AN AGREEMENT WITH AN ELIGIBLE UTILITY COMPANY. THE AGREEMENT SHALL:

(a) IDENTIFY THE ENERGY OR WATER SAVINGS MEASURES THAT ARE PROPOSED TO BE FINANCED BY THE UTILITY COMPANY.

(b) IDENTIFY THE COST OF THE ENERGY OR WATER SAVINGS MEASURES.

(c) IDENTIFY THE ENERGY OR WATER SAVINGS THAT THE MEASURE IS EXPECTED TO ACHIEVE, DETERMINED BY A REASONABLE RESEARCH-BASED INVESTIGATION.

(d) PROVIDE THAT THE UTILITY COMPANY INVESTMENT AND A REASONABLE CARRYING CHARGE THAT SHALL NOT EXCEED THE INTEREST RATE PRESCRIBED PURSUANT TO SECTION 42-1123, SUBSECTION A, BE REPAID BY PAYMENT AT THE UTILITY COMPANY'S CURRENT PRICE SCHEDULE OF THE AMOUNT OF ENERGY OR WATER THAT IS PROJECTED TO BE SAVED BY THE SAVINGS MEASURES, AS A SEPARATELY DEFINED COMPONENT OF THE UTILITY COMPANY'S MONTHLY BILL. THE PAYMENT SCHEDULE MAY EXTEND FOR UP TO TWENTY FIVE YEARS, THE EFFECTIVE LIFE OF THE ENERGY OR WATER SAVINGS MEASURES OR THE REPAYMENT PERIOD OF THE UTILITY COMPANY'S INVESTMENT PLUS REASONABLE CARRYING CHARGE, WHICHEVER OCCURS FIRST.

(e) IDENTIFY THE APPROXIMATE PERIOD FOR REPAYMENT OF THE UTILITY COMPANY'S INVESTMENT PLUS A REASONABLE CARRYING CHARGE.

(f) REQUIRE THAT THE UTILITY COMPANY AND THE SCHOOL DISTRICT OR CHARTER SCHOOL JOINTLY REVISE THE ESTIMATE OF ENERGY OR WATER SAVINGS AND THE CORRESPONDING MONTHLY PAYMENT ANNUALLY BASED ON ACTUAL EXPERIENCE.

(g) PROVIDE THAT THE SCHOOL DISTRICT OR CHARTER SCHOOL SHALL RECEIVE THE FINANCIAL BENEFITS OF THE ENERGY OR WATER SAVINGS MEASURES AFTER THE REPAYMENT OF THE UTILITY COMPANY'S INVESTMENT AND A REASONABLE CARRYING CHARGE. THE ENERGY OR WATER SAVINGS PROJECTS SHALL BE COST EFFECTIVE OVER THE EFFECTIVE LIFE OF THE MEASURES, AND EACH PROJECT SHALL PROVIDE UTILITY

COST SAVINGS TO THE SCHOOL DISTRICT OR CHARTER SCHOOL THAT EXCEED THE TOTAL PAYMENTS TO THE UTILITY.

2. REQUEST APPROVAL OF THE AGREEMENT FROM THE DEPARTMENT. THE DEPARTMENT SHALL DETERMINE WHETHER THE AGREEMENT MEETS THE REQUIREMENTS OF THIS SECTION.

C. AFTER APPROVAL OF THE AGREEMENT BY THE DEPARTMENT, THE SCHOOL DISTRICT OR CHARTER SCHOOL MAY ENTER INTO THE APPROVED CONTRACT. A COPY OF EACH CONTRACT SHALL BE PROVIDED TO THE DEPARTMENT.

D. PAYMENTS TO THE UTILITY COMPANY UNDER THE AGREEMENT SHALL BE CONSIDERED PART OF THE SCHOOL DISTRICT OR CHARTER SCHOOL'S MAINTENANCE AND OPERATIONS BUDGET AND SHALL NOT BE PAID WITH EXCESS UTILITIES MONIES LEVIED PURSUANT TO SECTION 15-910. PROCUREMENT OF ENERGY SAVING MEASURES SHALL BE SUBJECT TO THE PROVISIONS OF SECTION 15-213. THE PROCUREMENT OF ENERGY SAVINGS MEASURES SHALL NOT BE SUBJECT TO THE PROVISIONS OF SECTION 15-213.01.

E. NOTHING IN THIS SECTION SHALL IMPOSE AN OBLIGATION ON ANY UTILITY COMPANY TO INVEST MONIES OR CONTRACT WITH ANY SCHOOL DISTRICT OR CHARTER SCHOOL.

F. FOR PURPOSES OF THIS SECTION:

1. "ELIGIBLE UTILITY COMPANY" MEANS AN AGRICULTURAL IMPROVEMENT DISTRICT OR PUBLIC SERVICE COMPANY THAT PROVIDES RETAIL ELECTRIC OR NATURAL GAS SERVICE OR A UTILITY PROVIDING WATER SERVICE.

2. "ENERGY OR WATER SAVINGS MEASURES" SHALL INCLUDE CAPITAL IMPROVEMENTS, MAINTENANCE, TECHNICAL ASSISTANCE OR OPERATIONAL ASSISTANCE DESIGNED TO REDUCE ENERGY CONSUMPTION OR TO SHIFT ENERGY CONSUMPTION TO OFF PEAK PERIODS OR TO REDUCE WATER USE.

APPROVED BY THE GOVERNOR MAY 1, 2007.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 1, 2007.