SB17-252: Utility Cost-Saving Contract for Local Governments

Senator Tate, Representative Coleman & Representative Liston

Organizations Supporting SB 252:

Western Resource Advocates
Ameresco, Inc.
Siemens Industry, Inc.
360 Engineers
Apollo Solutions
Johnson Controls
Mckinstry
Op-Terra
Schneider-Electric
Siemens
Trane
Colorado Energy Office

What does SB 252 do?

SB17-252 allows local governments the option to enter into utility cost-savings contracts to increase meter accuracy to measure future utility cost savings and clarifies that operation and maintenance cost-savings calculations must be made on a net basis.

Why the need?

This new language is needed in the enabling legislation for the state Energy Performance Contracting (EPC) program and local governments to be able to enter into Performance Contracting for meter projects. This bill gives local communities the ability to be able to enter into these agreements. This bill does not mandate anything. Currently, utility owned municipalities are unable to access performance based financing for meter projects.

Prior to SB17-252, the Colorado statutes, which guide the Energy Performance Contracting Program run by the Colorado Energy Office, were silent with regards to installation of new, and more accurate meters and the use of the recovered costs as a funding mechanism within Utility Costs Savings Contracts.

Why Performance Contracting?

Implementing a water loss management system offers municipalities environmental, operational, and energy cost savings, but it's often an expensive endeavor that may be unavailable to smaller municipally owned utilities. Energy performance contracting provides an option to finance these improvements without raising taxes, issuing revenue bonds, or dipping into reserve funds. Water meter replacements and water meter reading technology upgrades can aid in identifying and reducing water system losses, can reduce meter reading and operation and maintenance expenses, and can support development of water rates that provide accurate cost signals to water users. This strategy provides opportunity for local governments to reduce their utility, operational and maintenance costs as well as its carbon footprint through more accurate meter readings and future utility cost-savings to fund the upgrades. Implementing a comprehensive water loss management program through performance contracting provides municipal owned utilities a fiscally responsible way to meet environmental and community goals.

Frequently Asked Questions

Q: Is there a need for the bill?
A: Yes, as it is currently written, the enabling legislation provides little, to no guidance for Local Government looking to fund utility metering projects using Energy Performance Contracting.

Q: Does this bill create a new mandate for public water systems?
A: No! This bill does not mandate anything. It gives locally owned utilities the ability to access an energy performance contracting to increase meter accuracy on a completely voluntary basis.

Q: What is the value?
A: New metering technologies are an option to help local governments seeking to meet environmental and community goals by providing a foundational component for municipal water conservation planning, municipal drought management, and can help ensure accurate utility spend.

Q: Is there any opposition?
A: There is no known opposition to this legislation.