

109 KAR 7:020. Energy conservation projects.

RELATES TO: KRS 45A.343, 45A.345-45A.353, 58.600-58.615

STATUTORY AUTHORITY: KRS 58.615

NECESSITY, FUNCTION, AND CONFORMITY: KRS 45A.351 provides that it shall be the policy of the Commonwealth to maximize the use of energy efficiency measures in the construction, renovation, and maintenance of buildings owned by local public agencies defined in KRS 45A.345(9). This administrative regulation is necessary to establish procedures to be used by cities, counties, urban-county governments, charter county governments, and special districts for conducting and approving guaranteed energy savings contracts and energy conservation revenue bonds.

Section 1. Definition. "Local government" means a county, urban-county government, charter county government, city or special district.

Section 2. Approval or Report to State Local Debt Officer Required for Energy Conservation Revenue Bonds.

(1) A local government shall:

- (a) Receive approval of the state local debt officer pursuant to KRS 58.610(2) prior to issuance of proposed energy conservation revenue bonds in excess of \$500,000; and
- (b) Report the issuance of all energy conservation revenue bonds to the state local debt officer pursuant to KRS 58.610(3).

(2) The state local debt officer shall hold a hearing pursuant to KRS 66.310(3) to (7) and make the findings required pursuant to KRS 66.310(3) prior to approval of energy conservation revenue bonds in excess of \$500,000 pursuant to KRS 58.610(2) and subsection (1)(a) of this section.

Section 3. Local Governments to Comply with Provisions of KRS Chapter 45A Relating to Guaranteed Energy Savings. Prior to entering into a guaranteed energy savings contract, a local government shall:

- (1) Comply with applicable local government procurement procedures; and
- (2) Adopt the provisions of KRS 45A.345, 45A.351, 45A.352, and 45A.353 relating to guaranteed energy savings contracts as required by KRS 45A.343(1).

Section 4. Energy Audits and Cost-benefit Analyses for Guaranteed Energy Savings Contracts and Energy Conservation Revenue Bonds to Meet Protocol Requirements.

(1) An energy audit and cost benefit analysis shall be performed to determine energy savings measurements for proposed guaranteed energy savings contracts, and energy conservation revenue bonds.

(2) The energy audits and cost-benefit analyses required pursuant to subsection (1) of this section shall comply with the:

- (a) Data reporting requirements set forth in the Institutional Conservation Program, Technical Assistance Report issued by the Division of Energy, Natural Resources and Environmental Protection Cabinet incorporated by reference in Section 6 of this administrative regulation; and
- (b) North America Energy Measurement and Verification Protocol, United States Department of Energy incorporated by reference in Section 6 of this administrative regulation.

Section 5. Technical Assistance from Division of Energy. Technical assistance regarding the accuracy of energy savings measurements and calculations in proposed guaranteed energy savings contracts and energy conservation revenue bonds may be requested from The Division of Energy, Natural Resources and Environmental Protection Cabinet, 663 Teton Trail, Frankfort, Kentucky 40601, (502) 564-7192, (800) 282-0868, Fax (502) 564-7484.

Section 6. Incorporation by Reference.

(1) The following documents are incorporated by reference:

(a) The Institutional Conservation Program Technical Assistance Report, Natural Resources and Environmental Protection Cabinet, Division of Energy, 663 Teton Trail, Frankfort, Kentucky 40601 (November 1996 edition);

(b) The North American Energy Measurement and Verification Protocol, United States Department of Energy (March 1996 edition);

(2) Copies of the documents incorporated by reference in this section may be inspected, copied or obtained at the Offices of the Department for Local Government, 1024 Capital Center Drive, Suite 340, Frankfort, Kentucky 40601 between the hours of 8 a.m. and 4:30 p.m. Monday through Friday.

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