56.770 Definitions for KRS 56.770 to 56.784.

As used in KRS 56.770 to 56.784, unless the context requires otherwise:

(1) "Aggregate simple payback period" means the simple payback period of a set of energy conservation measures taken together for a building;

(2) "Building" means all contiguous land, structures, appurtenances, and improvements that use utilities;

(3) "Cabinet" means the Finance and Administration Cabinet;

(4) "Energy audit" means examination of a building's utility-using systems, utilities consumption and costs, occupancy patterns, and operation and maintenance procedures;

(5) "Energy conservation measure" means any construction, process, improvement, repair, alteration, or betterment of a building or other state property that is intended to reduce utility consumption or operational cost; or any equipment, fixture, or furnishing to be added to or used in a building that will be a cost-effective utility-related project that is intended to reduce utility consumption or operational costs;

(6) "Guaranteed energy savings performance contract" means an agreement for the provision of energy services or equipment, energy conservation measures and alternate energy technologies for state government buildings or other state property, in which a person agrees to design, construct, install, maintain, operate, or manage energy systems or equipment to improve energy efficiency of, or produce energy in connection with, a state government building. Payments for a guaranteed energy savings performance contract shall be made from measured and verified savings generated from implementation of the energy conservation measures financed by the contract. The term of a guaranteed energy savings performance contract shall not exceed the life of the energy savings generated from implementation of the energy conservation measures financed by the contract. If the measured and verified savings are not sufficient to pay the financial obligations under the contract, the contractor is liable for the contract payments;

(7) "High-performance building" means a public building that is designed, constructed, and capable of being operated in a manner that:

   (a) Increases environmental performance and economic value over time;

   (b) Safeguards the health of occupants;

   (c) Enhances satisfaction and productivity of workers through energy-efficient systems;

   (d) Incorporates environmentally friendly materials and products; and

   (e) Reduces waste;

(8) "High-performance building standards" means a set of standards developed by the cabinet pursuant to KRS 56.777;

(9) "Engineering analysis" means a detailed cost-benefit analysis of energy efficiency investments including a review of potential cost savings through operation and maintenance changes;

(10) "Life-cycle cost analysis" means a method for estimating the total cost of an energy-using component or building over its useful life, including cost factors such

as purchase price or construction, renovation, or leasing costs, energy use, maintenance, interest, and inflation;

(11) "Low cost/no cost energy conservation measures" means those energy saving practices and energy conservation measures, usually involving operation and maintenance practices, that can be accomplished by existing personnel within existing operating budgets;

(12) "Simple payback period" means the number of years it takes to pay back, from estimated savings, the initial cost of an energy conservation measure with the simple payback period equal to the initial cost divided by the estimated annual savings;

(13) "Savings" means the reduction in expenditures, excluding any state government and post-secondary education personnel expenditures, that are measured and verified, including but not limited to energy usage, operating costs, and capital cost avoidance that occur as a result of the implementation of energy conservation measures;

(14) "Capital cost avoidance" means savings generated when expenditures of appropriated capital construction or appropriated capital outlay funds are avoided because the budgeted capital improvements or items of equipment are contained within the energy conservation measures provided by a guaranteed energy savings performance contract;

(15) "Operating costs" means expenditures associated with operating and maintaining a properly functioning building and its systems including but not limited to the heating, ventilation, cooling, lighting, plumbing, water heating, electrical, and laundry systems and their controls;

(16) "Public building" has the same meaning as in KRS 318.010;

(17) "ENERGY STAR" means the voluntary program administered by the United States Environmental Protection Agency and the United States Department of Energy that is designed to protect the environment through the promotion of energy-efficient products and practices;

(18) "Green Globes rating system" means the on-line environmental assessment tool developed by the Green Building Initiative as of December, 2004, that allows designers, property owners, and managers to evaluate and rate buildings against best sustainable building design practices and integrate principles of sustainable architecture at every stage of project delivery in order to design and construct buildings that will be energy-efficient and resource-efficient, achieve operational savings, and provide healthier environments in which to live and work; and

(19) "LEED" means the building rating systems developed on or after January 1, 2005, by the United States Green Building Council that allow designers, property owners, and managers to evaluate and rate buildings against best sustainable building design and practices and to integrate principles of sustainable architecture at every stage of project delivery in order to design and construct buildings that will be energy-efficient and resource-efficient using a whole-building approach in five (5) key areas of human and environmental health:

(a) Sustainable site development;

(b) Water savings;

(c) Energy efficiency;

(d) Material selection; and

(e) Environmental quality.

Effective: July 15, 2014

History: Amended 2014 Ky. Acts ch. 65, sec. 1, effective July 15, 2014. -- Repealed and reenacted 2010 Ky. Acts ch. 5, sec. 1, effective February 25, 2010. -- Amended 2008 Ky. Acts ch. 139, sec. 1, effective July 15, 2008. -- Amended 2007 (2d Extra. Sess.) Ky. Acts ch. 1, sec. 29, effective August 30, 2007. -- Amended 2002 Ky. Acts ch. 35, sec. 1, effective July 15, 2002. -- Created 1996 Ky. Acts ch. 223, sec. 1, effective July 15, 1996.

2026-2028 Budget Reference. See State/Executive Branch Budget, 2026 Ky. Acts ch. 168, Pt. I, K, 11, (4) at 2108.

Legislative Research Commission Note (2/25/2010). 2010 Ky. Acts ch. 5, sec. 28, provides that the repeal and reenactment of this section in that Act "shall apply retroactively to July 15, 2008."