



## GEORGIA ENVIRONMENTAL FACILITIES AUTHORITY

Sonny Perdue  
Governor

Phil Foil  
Executive Director

For Immediate Release  
Friday, June 4, 2010

Media Contacts: [Shane Hix](#), GEFA  
(404) 584-1043 / (404) 769-6949

### **Performance Contracting Bill Allows State to Pursue Energy Efficiency and Conservation Improvements**

ATLANTA – The state of Georgia is now one step closer to realizing significant energy savings with today's signing of Senate Bill 194 by Governor Sonny Perdue. SB194 is companion legislation to Senate Resolution 1231, which is a constitutional amendment allowing state agencies to finance multi-year energy and conservation improvement projects. SB194 defines energy performance contracting and designates the Georgia Environmental Facilities Authority (GEFA) as the lead agency for state government participation. Georgians will vote on the constitutional amendment on November 2, 2010. If approved, Georgia's energy performance contracting program will be effective January 1, 2011.

"The Georgia Constitution currently prevents the state from using performance contracting as an energy improvement procurement tool," said GEFA Executive Director Phil Foil. "SB194 and the constitutional amendment will help state agencies finance energy improvement projects, contributing to Georgia's culture of conservation and saving Georgia taxpayers money."

An Energy Performance Contract is an agreement between a customer and an energy services company (ESCO) that uses future energy savings to pay the cost of a building's energy and water infrastructure improvements. The ESCO guarantees that the savings will pay for all of the project costs. GEFA's State Utility Program (SUP) will be responsible for helping state agencies purchase and use energy more economically and efficiently through performance contracting.

SB 194 puts Georgia on the path to increased energy savings, as well as sustainable economic growth and development. Energy performance contracting will allow state agencies to finance much needed multi-year energy and water infrastructure improvement projects. According to GEFA estimates, state agencies have the ability to finance approximately \$212 million in energy improvement projects. State facility managers will be able to acquire much-needed energy equipment and services, which will provide long-term energy cost-savings.

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Georgia spends at least \$200 million each year on electricity and natural gas utilities. As a result of performance contracting, energy cost avoidance to state agencies is projected to be \$30 million annually by replacing lighting and electrical equipment, modifying or replacing boilers and chillers, installing state-of-the-art energy management control systems, or replacing motors or water system devices. The cost avoidance savings will finance the energy improvement projects.

Performance contracting will help the state meet the Governor's Energy Challenge. Governor Perdue has committed all state agencies to reduce energy consumption 15 percent by 2020. All Georgians are encouraged to accept the program's 15 percent goal by visiting [www.GovernorsEnergyChallenge.org](http://www.GovernorsEnergyChallenge.org). Interactive energy modeling tools at the website will help residents, businesses and local governments reduce energy use with proven no-cost, low-cost, and longer-term energy-saving options.

***About the Georgia Environmental Facilities Authority ([www.gefa.org](http://www.gefa.org))***

*The Georgia Environmental Facilities Authority (GEFA) provides financial assistance and administers programs that encourage stewardship of the environment and promote economic development statewide. GEFA is the lead state agency for energy planning and alternative fuels; manages the Governor's Energy Challenge and the Georgia Land Conservation Program; maintains state-owned fuel storage tanks; and offers financing for reservoir and water supply, water quality, storm water and solid waste infrastructure.*

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