

103.282 Issuance of bonds to assist small or medium-sized manufacturers with energy efficiency projects through guaranteed energy savings contracts.

- (1) As used in this section:
 - (a) "Energy service company" means an entity in the business of providing evaluation, design, implementation, installation, measurement and verification, and other related services under guaranteed energy savings contracts;
 - (b) "Guaranteed energy savings contract" means a contract for the evaluation and recommendation of energy, water, and wastewater conservation measures and for implementation of one (1) or more of those measures. The contract may provide that payments, except obligations on termination of the contract before its expiration, are to be made over time and shall provide that the savings are guaranteed to the extent necessary to make payments for the cost of the design, installation, and maintenance of energy, water, and wastewater conservation measures; and
 - (c) "Small or medium-sized manufacturer" means any existing business entity organized for profit that is operating an industrial building used as a manufacturing facility in the Commonwealth, and that has three hundred (300) or fewer full-time employees located at that manufacturing facility at the time bonds are to be issued pursuant to this section.
- (2) In order to further the purposes stated in KRS 103.210 and to advance the Commonwealth's goals of achieving a greater proportion of its energy needs through increased efficiency and conservation in the private sector, bonds may be issued by any city, county, air board, riverport authority, or the Kentucky Economic Development Finance Authority to assist a small or medium-sized manufacturer with developing or improving its manufacturing facilities through the use of a guaranteed energy savings contract to increase the energy efficiency thereof.
- (3) Bonds shall only be issued pursuant to this section if:
 - (a) The energy efficiency project being undertaken through the guaranteed energy savings contract is to be performed by a qualified provider as defined in KRS 45A.345; and
 - (b) The energy service company provides a guarantee that the project will achieve a reduction in energy consumption:
 1. That is measurable and verifiable; and
 2. Which will result in cost savings that are equal to or greater than the cost of the project within a seven (7) year payback period.

Effective: July 15, 2014

History: Created 2014 Ky. Acts ch. 131, sec. 7, effective July 15, 2014.