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SMITH BILL AUTHORIZING PUBLIC ENTITIES TO IMPLEMENT ENERGY SAVINGS IMPROVEMENT PROGRAMS APPROVED BY SENATE

TRENTON – A bill sponsored by Senate Environment Committee Chairman, Senator Bob Smith, which would give public entities an opportunity to enter into energy savings improvement projects, in order to leverage future cost savings to pay for energy efficiency projects was approved by the Senate today by a vote of 36-0.

“The future of our economy will rely very heavily on green-collar jobs and construction projects designed to enhance energy efficiency,” said Senator Smith, D-Middlesex and Somerset. “As we continue to look for ways to mitigate the economic distress New Jersey is facing as a result of the national recession, we need to adopt a new paradigm in job creation and efficient use of our existing resources. We know that energy efficiency projects have a large return on their investment; through this bill, energy efficiency projects for public entities would quite literally pay for themselves.”

The bill, S-1537, would allow public entities to make much-needed energy efficiency upgrades through energy savings improvement programs. Under the bill, a public entity would be able to contract with an energy services company for the implementation of energy conservation measures through a lease-purchase agreement, which would have a duration of not more than 15 years, or 20 years in some cases. The bill would permit public entities to finance the cost of improvements through the lease-purchase agreement with projected energy savings.

“This bill would let public entities see an up-front benefit of energy efficiency programs, by giving them the option of using future cost savings to pay for efficiency projects,” said Senator Smith. “Particularly in tight economic times, this bill would jump-start green construction in the State, and make New Jersey a leader in the emerging green economy.”

Senator Smith noted that energy savings improvement programs would allow public buildings such as hospitals, police stations and town halls to become a laboratory for green jobs in the State of New Jersey. By giving public entities a cost-neutral way of funding energy efficiency projects, the State stands to increase construction jobs and make government buildings environmentally sustainable.

“As the national economic crisis continues, public entities have very little money to make a start-up investment in energy efficiency projects,” said Senator Smith. “However, these entities can be a big part of the green economy, and with this bill, they would have access to a cost-neutral funding mechanism which will create jobs and save energy costs in the long-run. If we’re serious about encouraging green investment, we need to put our money – or cost savings – where our mouths are, and give public entities access to energy savings improvement programs to fund green construction at public buildings.”

Identical legislation was also approved in the General Assembly today by a vote of 76-1. The bill now heads to the Governor to be signed into law.