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SMITH BILL AUTHORIZING PUBLIC ENTITIES TO IMPLEMENT ENERGY SAVINGS IMPROVEMENT PROGRAMS SIGNED INTO LAW

TRENTON – A bill sponsored by Senate Environment Committee Chairman, Senator Bob Smith, which gives public entities the option to enter into energy savings improvement projects in order to leverage future cost savings to pay for energy efficiency projects, was signed into law today by Governor Corzine.

“This new law represents a significant step forward in promoting New Jersey’s green economy and creating new green-collar jobs in the state,” said Senator Smith, D-Middlesex and Somerset. “Unfortunately, as the national economic climate continues to worsen, there is less capital available to public agencies to engage in environmentally sustainable, energy efficient construction. However, with this new law in place, green construction will literally pay for itself, with public agencies able to capitalize on future energy savings to shepherd projects from the design phase to reality.”

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

“Many of the ongoing federal economic stimulus proposals are based on the idea of infrastructure improvements generating new construction jobs for the states,” said Senator Smith. “By giving public agencies the ability to leverage future cost savings to jump-start green construction, we’re opening the door to new job opportunities and a needed expansion of environmentally sustainable construction. This law gives public agencies the means to boost our economy and protect our environment in one fell swoop.”

Senator Smith noted that energy savings improvement programs allow public buildings such as hospitals, police stations and town halls to become a laboratory for green jobs in the State of New Jersey, and stand as an example to the private sector on the benefits of green construction.

“We’ve seen the data on the return of investment in green buildings,” said Senator Smith. “While many agencies would gladly go green to save taxpayers’ money, they simply lack the start-up capital to get their projects off the ground. By enabling public agencies to tap into proven and guaranteed cost savings, we can make New Jersey a shining example of the economic and environmental benefits that green construction can carry for anyone willing to make the investment.”

The bill received final approval from the Senate and Assembly last month.