

# OFFICE OF FISCAL ANALYSIS

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HB-6444

AN ACT ALLOWING THE CONSTITUENT UNITS OF THE STATE SYSTEM OF HIGHER EDUCATION TO ENTER INTO ENERGY-SAVINGS PERFORMANCE CONTRACTS.

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## ***OFA Fiscal Note***

### ***State Impact:***

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Department of Energy and Environmental Protection	Public Utilities Control - Potential Cost	Up to 100,000	Up to 100,000
Board of Regents for Higher Education	OF - Potential Savings	See Below	See Below

Note: OF=Other Funds

***Municipal Impact:*** None

### ***Explanation***

The bill allows the constituent units of higher education to independently enter into energy savings performance contracts. Under current law, they may do so with the assistance of the Department of Energy and Environmental Protection (DEEP).

The bill results in a potential cost to DEEP of up to \$100,000 annually beginning in FY 26 if the constituent units choose to seek DEEP's assistance in pursuing these contracts. The costs to DEEP are associated with providing technical analysis and support, consulting fees, and legal guidance associated with the various projects. The annual cost to DEEP would be dependent upon the number of constituent units of higher education that choose to participate in the program and the number of qualifying projects that seek DEEP support.

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The bill results in a potential savings beginning in FY 26 to the Connecticut State Colleges and Universities (CSCU), to the extent that CSCU chooses to enter into such contracts. Any savings would depend on the provisions of such contracts.

The bill has no fiscal impact to the University of Connecticut (UConn), as the bill conforms statute to the current practice of UConn. The contracts UConn has entered into since 2017 have resulted in estimated savings of \$1.5 million.

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.