

For Immediate Release
January 12, 2012

Contact: Susan Klimchak
Phone: 502-564-5565

Rep. Adkins announces Kentucky Green Schools Initiative

Frankfort, KY: Rep. Rocky Adkins, (D-Sandy Hook), today announced the Kentucky Green Schools Initiative, a broad collaborative legislative effort that will allow K-12 schools to achieve energy efficiencies, help small and mid-sized manufacturing facilities upgrade their energy systems and create jobs across Kentucky.

This initiative builds upon House Bill 2 and Senate Bill 132, previous energy legislation that the Kentucky General Assembly has passed over the last six years.

The Kentucky Green Schools Initiative will create the Kentucky Green Schools Authority which will tap into a \$50 million bond pool previously authorized and other sources of funding. School districts will be able to apply for loans for energy conservation measures such as new insulation, windows and doors, caulking and weather stripping, HVAC modifications or replacements.

Using performance contracting, schools who qualify for funding will be guaranteed at least a 25 percent savings in energy and operational costs. Energy Services Companies (ESCOs), working with the school districts will develop energy management plans that will be submitted to the Green Schools Authority to access low cost funding to achieve greater energy efficiencies.

ESCOs will serve as contractors to do the energy retrofitting. Once the construction is complete the savings begin to be realized. The loans will be repaid out of the energy savings. ESCOs guarantee the energy savings and if for some reason there is a shortfall in the savings, the ESCOs write the school district a check for the difference. Once the loan is repaid, that money will be available to schools for other educational purposes.

"Achieving energy efficiencies is the low hanging fruit in reducing Kentucky's energy consumption," said Rep. Adkins. "One recent estimate quotes Kentucky's K-12 public schools' annual energy utility bill as \$131 million. If we can achieve a 25% reduction in their consumption that would mean \$32 million additional dollars that can be used for educational purposes and to create a better learning environment for our children."

KSBA School Energy Managers Project teams (SEMP), will partner with the ESCOs on behalf of the school districts to help develop these new energy management plans.

"Through the KSBA School Energy Manager's Project, for the first time we have had boots on the ground focusing on achieving energy savings. These savings are available to go back in the classroom," said Bill Scott, KSBA Executive Director.

The Authority will be comprised of the Commissioner of Education (who will serve as chair), the secretaries of the Energy and Environment Cabinet and the Finance and Administration Cabinet, the state budget director and a representative from the Kentucky School Boards Association, appointed by the governor.

"As energy prices increase, as they already have in recent years, and as they are projected to continue to do in the future, we must make every effort to find cost-effective, practical ways to reduce our energy consumption," said Dr. Len Peters, Secretary of the Energy and Environment Cabinet. "We've made significant progress in this area in several energy sectors, including residential,

government buildings, manufacturing, and schools. We can do more, and this legislation, which complements the energy efficiency goals of Governor Steve Beshear, will do that by helping school districts make important efficiency retrofits to their facilities.”

According to statistics from the United States Department of Education, students in better building conditions earn 5-17 per cent higher test scores than students in substandard buildings and their standardized achievement scores rose 10.9 percent in schools which improved building conditions from poor to excellent. Schools with better building conditions experience up to 14 percent lower suspension rates than those with unsatisfactory conditions.

Leslie Thomas, principal at Lexington’s Rosa Parks Elementary School, and her staff and students worked with energy managers, architects, and engineers to create an energy efficiency plan and were able to achieve a 47 percent reduction in their energy use.

“Saving money was an important part of our energy efficiency efforts, but the most exciting part is involving the students and watching them learn valuable lessons applicable to their science education and real life,” said Ms. Thomas.

Kentucky utilities are happy with the new initiative as it will help them partner with schools across Kentucky. David Huff, LGE/KU Director of Customer Energy Efficiency said the utilities were “pleased to join with the Majority Leader on this bold venture. We feel this program offers another opportunity to partner with our schools and deliver energy efficiency savings to our customers.”

The Initiative also authorizes a pilot program, also established under House Bill 2, to help four schools achieve LEED certification. The University of Louisville Kentucky Energy Efficiency Program for Schools (KEEPS) has been working with school districts to develop energy management plans and will partner with the Kentucky chapter of the United States Green Buildings Council for this project.

Another component of the Initiative would allow small and medium-sized manufacturers to have access to lower cost capital to achieve energy efficiencies. Industrial revenue bonds would be issued by the Kentucky Economic Development Finance Authority and used to assist those manufacturers with financing energy conservation projects undertaken through performance contracts. The Authority would act as a conduit for the bond financing, with no obligation on the bonds, which would be repaid by the manufacturer through the energy cost savings.

“No one in the General Assembly understands energy and the importance to the manufacturing process any better than Majority Leader Adkins,” said Greg Higdon, President/CEO of the Kentucky Association of Manufacturers. “He has been a friend of manufacturing and business throughout his tenure and I want to personally thank him for his efforts on this bill and will commit KAM’s resources to working this bill through the process.”

A third provision of the Kentucky Green Schools Initiative instructs the Department of Energy to provide technical assistance to local governments and housing authorities to achieve greater energy efficiencies in their buildings.

“All rate payers will benefit if we can reduce our consumption and demand for energy in Kentucky,” said Rep. Adkins. “We anticipate as we grow out of this recession that the demand for energy will continue to increase, but if we can achieve greater efficiencies in our usage, we can forestall the need to build new generation which is an expense to our ratepayers. “