

**56.780 Evaluation for cost-effective energy use and energy efficiency of buildings prior to lease or purchase -- Structure of leases.**

- (1) Any building which the Finance and Administration Cabinet considers for leasing or purchase shall be evaluated for cost-effective energy use and energy efficiency. This evaluation shall be considered in choosing between competing leases or building purchases. The cabinet shall consider the energy costs of operating a building to ensure the selection of a cost-effective lease, and the cabinet shall compare life-cycle energy cost analyses for competing leases.
- (2) A lease may be structured so that both the lessor and the state agency as lessee may share energy cost savings that can be accomplished by energy-efficient lease arrangements. The lease may incorporate financial incentives to make energy efficiency improvements that are cost effective in reducing the operating cost of the building. The lease may provide for the state agency to make lease payments which may be used to help fund the costs of energy efficiency measures in the building, if the costs are amortized and returned to the state agency over a period of years not to exceed the useful life of the energy efficiency measures. Thereafter, the state agency shall be entitled to a reduction in the lease amount based on any continued savings resulting from the energy efficiency measures. The amount of reduction shall be negotiated between the lessor and the state agency.

**Effective:** July 15, 1996

**History:** Created 1996 Ky. Acts ch. 223, sec. 6, effective July 15, 1996.