

**COST-EFFECTIVE GOVERNMENTAL ENERGY USE ACT (EXCERPT)**  
**Act 625 of 2012**

**18.1724 Annual reconciliation of energy savings; liability for shortfall; report.**

Sec. 14.

(1) An energy performance contract shall require the qualified energy service provider to provide to the governmental unit an annual reconciliation of the guaranteed energy savings based on industry standards. The contract shall provide that the qualified provider is liable for any shortfall if the reconciliation reveals a shortfall in annual energy cost savings.

(2) During the term of each energy performance contract, at the discretion of the governmental unit, either the governmental unit, the qualified energy service provider, or an independent third party shall monitor the reductions in energy consumption and the cost savings attributable to the cost-savings measures installed pursuant to the performance contract, and shall, at least annually, provide a report to the governmental unit documenting the performance of the cost-savings measures to the governmental unit. The report shall comply with adopted industry standards as published at the date of the contract.

**History:** 2012, Act 625, Eff. Mar. 28, 2013