



This Bill Analysis reflects the contents of the bill as it was presented in committee.

# HOUSE BILL 245: Efficient Government Buildings & Savings Act.

2021-2022 General Assembly

<b>Committee:</b>	House Energy and Public Utilities. If favorable, re-refer to Finance. If favorable, re-refer to Rules, Calendar, and Operations of the House	<b>Date:</b>	March 23, 2021
<b>Introduced by:</b>	Reps. Szoka, Arp, Saine, Zenger	<b>Prepared by:</b>	Chris Saunders Committee Co-Counsel
<b>Analysis of:</b>	PCS to First Edition H245-CSTQ-12		

**OVERVIEW:** *The Proposed Committee Substitute (PCS) to House Bill 245 would do the following concerning State buildings managed by the Department of Administration (DOA) and State institutions of higher learning:*

- *Create a 40% energy conservation requirement for those State buildings by 2028.*
- *Eliminate the requirement for the Department of Administration to conduct energy audits every five years.*
- *Require those State agencies and institutions of higher learning to ensure that lighting is turned off, where feasible, from midnight until 6:00 a.m. unless required for safety, emergency, or insurance purposes.*
- *Amend the definitions of "energy conservation measure" and "energy savings" to allow consideration of generated revenues.*
- *Increase energy efficiency standards for major facility construction projects and renovations by those State agencies.*
- *Require a practicality and economic feasibility analysis for implementing energy conservation measures in certain State buildings.*

*The PCS moves the deadline for the required additional 10% reduction in the gross energy consumption for covered State buildings from 2027 to 2028 and requires lights in covered State buildings to be turned off overnight where feasible.*

## CURRENT LAW:

*The State Energy Office Comprehensive Program.*

The Department of Environmental Quality through the State Energy Office (SEO) administers a comprehensive program to manage energy, water, and other utility use for State agencies and institutions of higher learning. State agencies and institutions of higher learning are required to have an energy, water, and utility use management plan that is updated biennially. All State buildings must have cumulatively reduced their total gross energy consumption by twenty percent (20%) by 2010 and thirty percent (30%) by 2015. The SEO must submit a report describing the energy management program by December 1 each

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odd-numbered year to the Joint Legislative Energy Policy Commission, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division.

## *The Sustainable Energy Efficient Buildings Program.*

The Department of Administration administers the Sustainable Energy Efficient Buildings Program applicable to any new construction or major renovation project by a public agency of a building larger than 20,000 gross square feet. For these projects, energy consumption must be reduced, based on a nationally accepted engineering standard, at least thirty percent (30%) for new construction and twenty percent (20%) for major renovation. Indoor potable water uses must be reduced by twenty percent (20%) for both new construction and major renovation projects of buildings larger than 20,000 gross square feet.

## *Department of Administration*

The Department of Administration manages real property owned or leased by the State or any State agency, including State buildings. For purposes of the Article governing the Department of Administration, Article 36 of Chapter 143 of the General Statutes, "State buildings" means "all State buildings, utilities, and other property developments except the State Legislative Building, railroads, highway structures, bridge structures, and any buildings, utilities, or property owned or leased by the North Carolina Global TransPark Authority. But under no circumstances shall this Article or any part thereof apply to the judicial or to the legislative branches of the State."

## **BILL ANALYSIS:**

**Section 1.(a)** of the PCS would do all of the following:

- Require an additional 10% reduction in the gross energy consumption for State buildings covered by this act in total by 2028.
- Change from biennially to annually the frequency of reports of utility consumption and costs submitted by each community college to the SEO.
- Eliminate the requirement for DOA to conduct energy audits every five years.

**Section 1.(b)** would require all State agencies and institutions of higher learning covered by this act to ensure that lighting is turned off, where feasible, from midnight until 6:00 A.M. unless required for safety, emergency, or insurance purposes.

**Section 2** would expand the definition of "energy conservation measure" to include building analytics systems that are capable of establishing data-driven benchmarks, predicting future energy performance, and finding additional energy savings opportunities. It would also amend the definitions of "energy conservation measure" and "energy savings" to allow generated revenue to be considered.

**Section 3** would require an additional 10% savings in energy consumption and potable water usage for new construction and major renovation projects by public agencies involving buildings greater than 20,000 square feet. This section would apply to major facility construction and renovation projects that have not entered the schematic design phase prior to the effective date of the act.

**Section 4** would do all of the following:

- For all State buildings covered by this act greater than 20,000 square feet that have been in use more than 10 years, require each State agency and institution of higher learning to complete, by October 1, 2022, a practicality and economic feasibility analysis of implementing energy conservation measures and submit those findings to the SEO.

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- For all State buildings covered by this act greater than 10,000 square feet that have been in use more than 10 years, require each State agency and institution of higher learning to complete, by October 1, 2027, a practicality and economic feasibility analysis of implementing energy conservation measures and submit those findings to the SEO.
- Require the State agency or institution of higher learning to implement any energy conservation measures it finds practically and economically feasible and to support, through findings of fact, its determination that implementation of energy conservation measures are not practically and economically feasible.
- Exempt from the feasibility study any buildings for which a practicality and economic feasibility analysis has been conducted within three years of the effective date of this act.

**Section 5** would provide that this act applies only to State buildings managed by the Department of Administration and State institutions of higher learning.

**EFFECTIVE DATE:** Except as otherwise provided, this act would become effective when it became law.