



# HOUSE BILL 570: Efficient Government Buildings & Savings Act.

2023-2024 General Assembly

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<b>Committee:</b>	House State Government. If favorable, re-refer to Rules, Calendar, and Operations of the House	<b>Date:</b>	May 3, 2023
<b>Introduced by:</b>	Reps. Zenger, Winslow, Crutchfield, Saine	<b>Prepared by:</b>	Kellette Wade*
<b>Analysis of:</b>	First Edition		Committee Co-Counsel

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**OVERVIEW:** *House Bill 570 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 2030.*
- *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.*
- *Require major facility construction projects or major facility renovation projects of public agencies to maintain or restore the predevelopment hydrology to reduce the rate and volume of stormwater runoff whenever practicable.*
- *Allow State agencies and institutions of higher learning that are implementing energy conservation measures after a practicality and economic feasibility analysis to include additional improvements and upgrades to provide healthy indoor environments, increase resilience, conserve water resources, and apply to building sustainability rating or certification systems.*

*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 House Bill 570 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 2030.
- 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 can establish 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. This section would also require that, whenever practicable, major facility construction projects or major facility renovation projects of public agencies must maintain or restore the predevelopment hydrology to reduce the rate and volume of stormwater runoff.

**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

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October 1, 2024, a practicality and economic feasibility analysis of implementing energy conservation measures and submit those findings to the SEO.

- 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, 2029, 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 is 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.
- Allow a State agency or State institution of higher learning that is implementing energy conservation measures pursuant to this section to include additional improvements and upgrades to provide healthy indoor environments, increase resilience, conserve water resources, and apply to building sustainability rating or certification systems.

**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.

*\*Chris Saunders, Legislative Analysis Division Staff Attorney, substantially contributed to this summary.*