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HOUSE BILL NO. 2174

Offered January 14, 2009

Prefiled January 14, 2009

A *BILL to amend the Code of Virginia by adding a section numbered 2.2-1509.3, relating to the retention by state agencies of savings from reductions in energy consumption.*

Patrons—Hogan, Athey, Cole, Lingamfelter, Merricks, Poindexter and Rust

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:**1. That the Code of Virginia is amended by adding a section numbered 2.2-1509.3 as follows:**

§ 2.2-1509.3. Energy savings by state agencies.

A. As used in this section:

"Amount of energy consumed" means quantity of electricity, natural gas, and other forms of purchased energy, on a volumetric basis, consumed by a state agency in the course of its occupancy of a building, or portion thereof, that is owned or leased by the Commonwealth.

"Energy expenditures" means the amount of general funds that are expended by the Commonwealth to purchase the amount of energy consumed by a state agency.

"Energy savings" means the reduction in energy expenditures, measured on a fiscal year basis, that results from the implementation by the state agency of an energy conservation program that has been approved by the Department of General Services pursuant to subsection C.

"State agency" means any agency, department, division, authority, board, commission, or other unit of state government that funds its operating costs primarily through appropriations of general funds.

B. By January 1, 2010, the Department of General Services shall develop guidelines for the preparation by each state agency of an energy conservation program for each building the state agency occupies or, if it does not occupy an entire building, for the portion of a building it occupies. The guidelines shall identify measures that may be implemented by state agencies to reduce energy expenditures through cost-effective investments in equipment and devices and through behavioral and operational changes. The guidelines shall also establish schedules for state agencies to submit energy conservation programs, for review of proposed programs, and for implementation of approved programs by state agencies. The Department of Mines, Minerals and Energy shall assist the Department of General Services in its development of the guidelines. The guidelines shall be provided to the directing officer or head of each state agency.

C. Each state agency shall prepare, in accordance with the guidelines developed pursuant to subsection B, an energy conservation program identifying specific measures that the state agency may implement in order to reduce energy expenditures. Each agency's energy conservation program shall be submitted to the Department of General Services for review. The Department of General Services shall approve an energy conservation program if it determines that the program complies with the guidelines and is otherwise in accordance with applicable laws. Energy conservation programs shall be updated biennially or on such other schedule as shall be determined appropriate by the Department of General Services. Updates to energy conservation programs shall be submitted to the Department of General Services for review and approval in like manner as initial programs. The Department of Mines, Minerals and Energy shall assist the Department of General Services in reviewing energy conservation programs.

D. Each state agency shall implement its approved energy conservation program. The Department of General Services shall track the energy expenditures for each state agency during each fiscal year, which tracking may aggregate total energy expenditures by the state agency for all of the buildings or portions of buildings that it occupies. The Department of General Services or Department of Mines, Minerals and Energy may conduct a review or audit of any state agency to ensure that each state agency has implemented its approved energy conservation program and that any reductions in energy expenditures result from implementation of the program and not from such other factors as declines in energy costs. Based on the results of its tracking of energy expenditures and any audit or review of a state agency's implementation of its energy conservation program, the Department of General Services annually shall calculate the energy savings for each state agency. If the Department of General Services installs or improves energy saving systems or devices in buildings occupied by a state agency, the state agency shall receive credit for any resulting energy savings, without regard to whether the installations or improvements are part of an approved energy conservation program.

E. The Department of General Services shall report to the Department of Planning and Budget, the

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59 *House Committee on Appropriations, and the Senate Committee on Finance on the amount of each state*
60 *agency's energy savings over the preceding fiscal year by December 1 of each year. The Governor shall*
61 *provide in "The Budget Bill" pursuant to subsection A of § 2.2-1509 or in his proposed gubernatorial*
62 *amendments to the general appropriation act pursuant to subsection E of § 2.2-1509, as applicable, that*
63 *the amount of general funds appropriated for the operating costs of a state agency shall not be reduced*
64 *as a result of the state agency's production of energy savings, in order that the amount of general funds*
65 *appropriated for the state agency's operations is held harmless from any reduction in operational*
66 *expenditures projected over the ensuing fiscal year or years that results from its energy savings.*