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SENATE BILL NO. 1345

Senate Amendments in [] - February 10, 2009

A *BILL to amend the Code of Virginia by adding in Chapter 11 of Title 2.2 an article numbered 8, consisting of sections numbered 2.2-1182 through 2.2-1184, relating to energy efficiency in state government.*

Patron Prior to Engrossment—Senator Wagner

Referred to Committee on General Laws and Technology

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 11 of Title 2.2 an article numbered 8, consisting of sections numbered 2.2-1182 through 2.2-1184 as follows:

*Article 8.**Energy Efficiency in State Government.*

§ 2.2-1182. *State agency and institutions energy savings goal.*

A. *Each executive branch agency and institution shall implement efforts to attain a goal of reducing the annual cost of its nonrenewable energy purchases by at least 20 percent of fiscal year 2008 expenditures by fiscal year 2012.*

B. *In order to meet the goal established by subsection A, agencies and institutions shall aggressively pursue:*

1. *All energy-savings activities whose costs are recoverable in one fiscal year, such as use of screw-in fluorescent and other high-efficiency lighting in place of incandescent bulbs and other less efficient lights; and*

2. *Contracts to provide energy savings at state-owned facilities through improvement projects that satisfy each of the following criteria:*

a. *The scope of the project meets or exceeds the applicable energy-efficiency standards set forth in the American Society of Heating, Refrigerating, and Air Conditioning Engineers (ASHRAE) and the Illuminating Engineering Society (IES) standard 90.1-1989 and is limited to measures listed in guidelines issued by the Department of General Services;*

b. *The project is financed consistent with the provisions of § 2.2-2417, which requires Treasury Board approval and is executed through a nonprofessional services contract with a vendor approved by the Division of Purchases and Supply of the Department of General Services;*

c. *The scope of work has been reviewed by the Department of Mines, Minerals and Energy;*

d. *The project scope does not entail: (i) constructing, enlarging, altering, repairing, or demolishing a building or structure, (ii) changing the use of a building either within the same use group or to a different use group when the new use requires greater degrees of structural strength, fire protection, exit facilities, or sanitary provisions, or (iii) removing or disturbing any asbestos-containing materials during demolition, alteration, renovation of or additions to building or structures;*

e. *The total project cost does not exceed \$3,000,000; and*

f. *For projects with a total cost exceeding \$250,000, the agency director has submitted written notification to the Director of the Department of Planning and Budget verifying that the project meets all of the conditions in subdivision 2 a through 2 e, and the Director of the Department of Planning and Budget has notified the Chairmen of the House Appropriations and Senate Finance Committees that such projects have been initiated;*

3. *Other funded capital energy-savings improvements;*

4. *Alternate procurement techniques for energy;*

5. *Renovations of existing buildings consistent with LEED, including the use of Virginia forest products with alternate certifications, or Energy Star requirements;*

6. *Reductions in transportation energy use requirements [or fuel that reduces fossil fuel use] ; or*

7. *Purchases of renewable energy.*

C. *Agencies and institutions shall report their progress towards the energy-savings goals as part of the Governor's Management Scorecard, Resource Stewardship objective.*

D. *The Department of Mines, Minerals and Energy shall (i) maintain a system to monitor and report on progress made by state agencies and institutions toward meeting the goal established by this section of reducing its energy costs and consumption for state-owned facilities and (ii) post a report, at least annually, on its website that summarizes the progress of agencies in meeting the goal established by this section.*

§ 2.2-1183. *Implementation of energy-saving measures in state-owned buildings.*

ENGROSSED

SB1345E

60 A. As used in this section:

61 "Aggregate simple payback period" means the simple payback period of a set of energy efficiency
62 measures taken together for a state-owned building.

63 "Capital cost avoidance" means savings generated when expenditures of appropriated capital
64 construction or appropriated capital outlay funds are avoided because the budgeted capital
65 improvements or items of equipment are contained within the energy efficiency measures provided by a
66 guaranteed energy savings performance contract.

67 "Energy efficiency measure" means any construction, improvement, repair, alteration, or betterment
68 of a building that is intended to reduce energy costs; or any equipment, fixture, or furnishing to be
69 added to or used in a building that will be a cost-effective energy-related project that is intended to
70 reduce energy costs.

71 "Engineering analysis" means a detailed cost-benefit analysis of energy efficiency investments
72 including a review of potential cost savings through operation and maintenance changes.

73 "Operating costs" means expenditures associated with operating and maintaining a properly
74 functioning building and its systems including, but not limited to, the heating, ventilation, cooling,
75 lighting, plumbing, water heating, electrical, and laundry systems and their controls.

76 "Savings" means the reduction in expenditures that are measured and verified, including but not
77 limited to energy usage, operating costs, and capital cost avoidance that occur as a result of the
78 implementation of energy efficiency measures.

79 "Simple payback period" means the number of years it takes to pay back, from estimated energy
80 savings, the initial cost of an energy efficiency investment, with the simple payback period equal to the
81 initial cost divided by the estimated annual energy savings.

82 B. Executive branch agencies and institutions occupying state-owned buildings shall implement
83 energy efficiency measures, to improve the energy efficiency of their buildings, that have an aggregate
84 simple payback period of five years or less, determined through an engineering analysis, as general fund
85 appropriations become available to the agency or institution occupying the building.

86 § 2.2-1184. Energy efficiency in state facilities.

87 [A. As used in this section, "LEED standard" means the United States Green Building Council's
88 Leadership in Energy and Environment Design (LEED) green building rating standard.

89 B. All executive branch agencies and institutions shall ensure that the design and construction of
90 state-owned buildings, and the renovation of such buildings valued at more than 50 percent of the
91 assessed building value, comply with the energy performance standards at least as stringent as the U.S.
92 Green Building Council's LEED rating system, including the use of Virginia forest products with
93 alternate certifications. -

94 C. This section shall not apply to design, construction, and renovation projects that have advertised
95 for architectural and engineering services prior to July 1, 2009.

96 A. As used in this article, unless the context requires a different meaning: "Green Globes" means the
97 Green Building Initiative green building rating standard. "LEED" means the United States Green
98 Building Council Leadership in Energy and Environment Design green building rating standard.

99 B. Any state body entering the design phase for construction of a new building greater than 5,000
100 gross square feet in size, or renovating such a building where the cost of renovation exceeds 50 percent
101 of the value of the building, shall conform to LEED silver or Green Globes two globe standards and the
102 buildings shall be designed, constructed, verified, and operated to achieve energy savings that exceed
103 the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Standard
104 90.1-2004 (Energy Standard for buildings Except Low-Rise Residential Buildings) by at least 15 percent
105 for new construction and 10 percent for major renovation. In addition, water systems designed for such
106 buildings shall be required to provide water use savings of at least 25 percent over the baseline
107 standard established in the federal Energy Policy Act of 1992.

108 C. An exemption from the design and construction standards required by subsection B may be
109 granted by the Director of the Department of General Services only upon a finding of special
110 circumstances that make construction to the standards impracticable.]