

Department of Planning and Budget 2020 Fiscal Impact Statement

1. Bill Number: SB963

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input checked="" type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Surovell

3. Committee: General Laws

4. Title: Energy efficiency; Commonwealth Efficient and Resilient Buildings Board

5. Summary: Establishes the Commonwealth Efficient and Resilient Buildings Board (Board) as an advisory board in the executive branch of state government, for the purposes of advising the Governor, the Virginia Public Building Authority (VPBA), and all state agencies, departments, authorities, institutions of higher learning, and political subdivisions on accelerating improvements to state buildings to reduce greenhouse gas emissions and improve resiliency. The Board shall be composed of 14 members, including six nonlegislative citizen members to be appointed by the Governor. The Directors of the Departments of General Services, Mines, Minerals and Energy (DMME), and Planning and Budget, or their designees; the Secretaries of Education, Finance, and Natural Resources, or their designees; the Special Assistant to the Governor for Coastal Adaptation and Protection; and the Chairman of VPBA shall serve ex officio with voting privileges. The bill also requires the head of each state agency to designate a qualified senior employee, known as an energy manager, who shall be responsible for implementing improvements to state buildings to reduce greenhouse gas emissions and improve energy efficiency and climate change resiliency. The Board has a sunset date of July 1, 2030.

6. Budget Amendment Necessary: See Item 8, below.

7. Fiscal Impact Estimates: Preliminary. See Item 8.

8. Fiscal Implications: The fiscal impact of this bill is indeterminate. This bill would increase the administrative responsibilities of DMME and all state agencies.

The bill requires that all state agencies designate a qualified senior employee, known as an energy manager, to be responsible for implementing improvements to state buildings to reduce greenhouse gas emissions and improve energy efficiency and climate change resiliency. The bill requires the energy manager to: maintain a list of the facilities owned and leased by his agency, including buildings and interior spaces, and include in the list energy usage and any prior energy audit or energy saving performance contract; enter energy and water consumption and building-related information into the ENERGY STAR Portfolio Manager account for any building or facility over 5,000 square feet, beginning with the largest facilities not yet accounted for; coordinate with DMME and the Board to link agency utility accounts to the state portfolio master account and to provide to DMME and the Board

access to such ENERGY STAR Portfolio Manager account; on an ongoing basis, identify priority buildings and spaces for energy audits or energy saving performance contracts, taking into consideration how energy usage may be reduced and the feasibility of installing energy saving or on-site renewable energy systems; and, provide to DMME the priority building list on an annual basis. The fiscal impact of these additional requirements on state agencies is indeterminate.

The bill requires the Directors of the Departments of General Services, Mines, Minerals and Energy, and Planning and Budget, or their designees; the Secretaries of Education, Finance, and Natural Resources, or their designees; the Special Assistant to the Governor for Coastal Adaptation and Protection; and the Chairman of the Virginia Public Building Authority to serve on the Board. It is anticipated that the Department of Planning and Budget, and the Secretaries of Education, Finance, and Natural Resources can absorb any fiscal impacts associated with this provision of the bill.

The Board is charged with (i) developing building portfolio goals for each agency; (ii) adopting guidance for lifecycle cost analysis of existing buildings and their potential improvements; (iii) identifying needs for technical guidance, standard contracts, or other resources needed for agencies to implement improvement projects; (iv) recommending training and additional staff, including budgetary needs, for agency energy managers to support progress toward agency goals; and, (iv) submitting an annual report to the Governor and the General Assembly on the Board's activities.

Also, DMME is required to provide staff support to the Board, coordinate and link utility accounts provided by state agencies to the state portfolio master account, coordinate the priority building list as provided by state agencies, and pay compensation to Board members and reimburse members for their expenses incurred in serving on the Board. Depending on the size and scale of the program, DMME anticipates that additional costs may be incurred associated with the potential need for an additional classified position to coordinate state agency utility accounts to the state portfolio master account, coordinate the priority building list, and support of the Board. These support costs are indeterminate at this time. The amount needed for costs of compensation and expenses of the Board is also indeterminate at this time.

It is anticipated that this bill will not result in a fiscal impact to the Department of the Treasury or the Department of General Services.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Mines, Minerals and Energy; Department of General Services; Virginia Public Building Authority; Department of Planning and Budget; Secretaries of Education, Finance, and Natural Resources; Special Assistant to the Governor for Coastal Adaptation and Protection; all state agencies.

10. Technical Amendment Necessary: No.

11. Other Comments: None.