

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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HOUSE BILL 628

Short Title: Energy Savings Incentives/State Agencies. (Public)

Sponsors: Representatives Harrison, McGrady, Fisher, and Jeter (Primary Sponsors).

For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to: Environment.

April 14, 2015

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT ANY ENERGY SAVINGS REALIZED BY STATE AGENCIES MAY REMAIN AVAILABLE TO THE AGENCY FOR OTHER FACILITY UPGRADES RELATED TO REDUCING ENERGY AND WATER CONSUMPTION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143-64.17F reads as rewritten:

"§ 143-64.17F. State agencies to use contracts when feasible; rules; ~~recommendations.~~recommendations; nonreversion.

(a) State governmental units shall evaluate the use of guaranteed energy savings contracts in reducing energy costs and may use those contracts when feasible and practical.

(b) The Department of Administration, in consultation with the Department of Environment and Natural Resources, through the State Energy Office, shall adopt rules for: (i) agency evaluation of guaranteed energy savings contracts; (ii) establishing time periods for consideration of guaranteed energy savings contracts by the Office of State Budget and Management, the Office of the State Treasurer, and the Council of State, and (iii) setting measurements and verification criteria, including review, audit, and precertification. Prior to adopting any rules pursuant to this section, the Department shall consult with and obtain approval of those rules from the State Treasurer. The rules adopted pursuant to this subsection shall not apply to energy conservation measures implemented pursuant to G.S. 143-64.17L.

(c) The Department of Administration, and the Department of Environment and Natural Resources through the State Energy Office, may provide to the Council of State its recommendations concerning any energy savings contracts being considered.

(d) The General Fund current operations appropriations credit balance remaining at the end of each fiscal year for utilities of a State governmental unit (other than the Board of Governors of The University of North Carolina and its constituent institutions), to the extent that credit balance represents energy savings realized from implementing an energy conservation measure, shall be carried forward by the unit to the next fiscal year and is appropriated for energy conservation measures by that unit. The use of funds appropriated under this section shall be limited to one-time capital and operating expenditures that will not impose additional financial obligations on the State. The Director of the Budget, under the authority set forth in G.S. 143C-6-2, shall establish the General Fund current operations credit balance remaining in each budget code of each unit.

(e) The Director of the Budget shall not decrease the recommended continuation budget requirements for utilities for State governmental units carrying forward a credit balance under subsection (d) of this section by the amount of energy savings realized from implementing



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1 energy conservation measures, including savings achieved through a guaranteed energy savings
2 contract.

3 (f) State governmental units shall submit annual reports on the use of funds authorized
4 pursuant to this section as required under G.S. 143-64.12."

5 **SECTION 2.** G.S. 143-64.12(a) reads as rewritten:

6 "(a) The Department of Environment and Natural Resources through the State Energy
7 Office shall develop a comprehensive program to manage energy, water, and other utility use
8 for State agencies and State institutions of higher learning and shall update this program
9 annually. Each State agency and State institution of higher learning shall develop and
10 implement a management plan that is consistent with the State's comprehensive program under
11 this subsection to manage energy, water, and other utility use, and that addresses any findings
12 or recommendations resulting from the energy audit required by subsection (b1) of this section.
13 The energy consumption per gross square foot for all State buildings in total shall be reduced
14 by twenty percent (20%) by 2010 and thirty percent (30%) by 2015 based on energy
15 consumption for the 2002-2003 fiscal year. Each State agency and State institution of higher
16 learning shall update its management plan biennially and include strategies for supporting the
17 energy consumption reduction requirements under this subsection. Each community college
18 shall submit to the State Energy Office a biennial written report of utility consumption and
19 costs. Management plans submitted biennially by State agencies and State institutions of higher
20 learning shall include all of the following:

- 21 (1) Estimates of all costs associated with implementing energy conservation
22 measures, including pre-installation and post-installation costs.
- 23 (2) The cost of analyzing the projected energy savings.
- 24 (3) Design costs, engineering costs, pre-installation costs, post-installation costs,
25 debt service, and any costs for converting to an alternative energy source.
- 26 (4) An analysis that identifies projected annual energy savings and estimated
27 payback periods."

28 **SECTION 3.** This act is effective for fiscal years beginning on or after July 1,
29 2015.