

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

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SENATE BILL 1077
Commerce Committee Substitute Adopted 4/25/01

Short Title: Energy Conservation/Pilot Program.

(Public)

Sponsors:

Referred to:

April 5, 2001

1 A BILL TO BE ENTITLED
2 AN ACT REQUIRING STATE AGENCIES TO USE LIFE-CYCLE COST
3 ANALYSIS FOR THE DESIGN, CONSTRUCTION, OPERATION,
4 MAINTENANCE, AND RENOVATION OF STATE FACILITIES AND FOR
5 THE PURCHASE, OPERATION, AND MAINTENANCE OF EQUIPMENT FOR
6 THESE FACILITIES AND IMPLEMENTING A PILOT PROGRAM TO REVIEW
7 THE USE OF THE TRIANGLE J COUNCIL OF GOVERNMENTS' HIGH
8 PERFORMANCE GUIDELINES IN THE RENOVATION OR CONSTRUCTION
9 OF STATE FACILITIES.

10 The General Assembly of North Carolina enacts:

11 **SECTION 1.** G.S. 143-64.10(a) reads as rewritten:

12 "(a) The General Assembly hereby finds:

- 13 (1) That the State ~~should~~shall take a leadership role in aggressively
14 undertaking energy conservation in North Carolina;
- 15 (2) That State facilities have a significant impact on the State's
16 consumption of energy;
- 17 (3) That energy conservation practices adopted for the design,
18 construction, operation, maintenance, and renovation of these facilities
19 and for the purchase, operation, and maintenance of equipment for
20 these facilities will have a beneficial effect on the State's overall
21 supply of energy;
- 22 (4) That the cost of the energy consumed by these facilities and the
23 equipment for these facilities over the life of the facilities ~~must~~shall be
24 considered, in addition to the initial cost;
- 25 (5) That the cost of energy is significant and facility designs ~~must~~shall
26 take into consideration the total life-cycle cost, including the initial
27 construction cost, and the cost, over the economic life of the facility, of
28 the energy consumed, and of operation and maintenance of the facility
29 as it affects energy consumption; and

1 (6) That State government ~~should~~shall undertake a program to reduce
2 energy use in State facilities and equipment in those facilities in order
3 to provide its citizens with an example of energy-use efficiency."

4 **SECTION 2.** G.S. 143-64.11(2a) reads as rewritten:

5 "For purposes of this Article:

6 ...

7 (2a) "~~Energy Division~~"Energy Office' means the State Energy
8 DivisionOffice of the Department of ~~Commerce~~Administration.

9"

10 **SECTION 3.** G.S. 143-64.12 reads as rewritten:

11 "**§ 143-64.12. Authority and duties of State agencies.**

12 (a) The General Assembly authorizes and directs that State agencies shall carry
13 out the construction and renovation of State facilities, under their jurisdiction in such a
14 manner as to further the policy declared herein, ~~insuring that~~ensuring the use of
15 life-cycle cost analyses and energy-conservation practices are considered and are
16 employed whenever feasible and practicable practices.

17 (b) The Department of Administration ~~shall, to the extent feasible and~~
18 ~~practicable,~~shall develop and implement policies, procedures, and standards to ensure
19 that State purchasing practices improve energy efficiency and take the cost of the
20 product over the economic life of the product into consideration. The Department of
21 Administration shall adopt and implement Building Energy Design Guidelines. These
22 guidelines shall include energy-use goals and standards, economic assumptions for
23 life-cycle cost analysis, and other criteria on building systems and technologies. The
24 Department of Administration shall modify the design criteria for construction and
25 renovation of facilities to require that a life-cycle cost analysis be conducted pursuant to
26 G.S. 143-64.15. The Department of Administration, as part of the Facilities Condition
27 and Assessment Program, shall identify and recommend energy conservation
28 maintenance and operating procedures that are designed to reduce energy consumption
29 within the facility and that require no significant expenditure of funds. State
30 departments, institutions, or agencies shall implement these recommendations. Where
31 energy management equipment is proposed for State facilities, the maximum
32 interchangeability and compatibility of equipment components shall be required.

33 The Department of Administration shall develop a comprehensive energy
34 management program for State government. Each State agency shall develop and
35 implement an energy management plan that is consistent with the State's comprehensive
36 energy management program.

37 (c) through (g) Repealed by Session Laws 1993, c. 334, s. 4."

38 **SECTION 4.** G.S. 143-64.15(c) reads as rewritten:

39 "(c) The General Assembly ~~encourages any~~requires each entity to conduct a
40 life-cycle cost analysis pursuant to this section for the construction ~~of any State-assisted~~
41 facility or the renovation of any State facility or State-assisted facility of ~~40,000~~20,000
42 or more gross square feet."

1 **SECTION 5.** G.S. 143-64.15(f) reads as rewritten:

2 "~~(f) Selection of the optimum system or combination of systems to be~~
3 ~~incorporated into the design of the facility shall take into consideration the life-cycle~~
4 ~~cost analysis over the economic life of the facility.~~Each State agency shall use the life-
5 cycle cost analysis over the economic life of the facility in selecting the optimum
6 system or combination of systems to be incorporated into the design of the facility."

7 **SECTION 6.** Part 1 of Article 3B of Chapter 143 of the General Statutes is
8 amended by adding a new section to read:

9 "**§ 143-64.15A. Certification of life-cycle cost analysis.**

10 All State agencies under the jurisdiction of the Department of Administration
11 performing life-cycle cost analyses for the purpose of constructing or renovating any
12 State facility shall, prior to selecting a design option or advertising for bids for
13 construction, submit the life-cycle cost analysis to the Department for certification. The
14 Department shall review the material submitted by the State agency, reserve the right to
15 require State agencies to complete additional analysis to comply with certification,
16 perform any additional analysis, as necessary, to comply with G.S. 143-341(11), and
17 require that all construction or renovation conducted by the State agency comply with
18 the certification issued by the Department."

19 **SECTION 7.(a)** Triangle J Guidelines Pilot Program. – The General
20 Assembly recognizes the State's need to understand how energy conservation measures
21 are utilized in the construction or renovation of State facilities and how these measures
22 benefit the State through cost savings and the protection of our natural resources. The
23 General Assembly promotes the use of the Triangle J Council of Governments' High
24 Performance Guidelines to achieve these goals and encourages any State entity to rate
25 itself in accordance with these guidelines for the design, construction, operation,
26 maintenance, or renovation of any State-assisted or State-owned facility.

27 **SECTION 7.(b)** To accomplish the goals described in Section 7(a) of this
28 act, the Department of Administration shall implement a pilot program to review the use
29 of the Triangle J Guidelines in projects for the renovation or construction of State
30 facilities.

31 The Board of Governors of The University of North Carolina shall select at
32 least four projects to participate in the pilot program, and the State Board of Community
33 Colleges and the Office of State Budget, Planning, and Management shall select at least
34 three projects to participate in the program. One-third of the projects participating in this
35 program shall be projects for the repair or renovation of a State facility, and the
36 remaining projects shall be projects for the construction of State facilities.

37 **SECTION 7.(c)** The Department of Administration shall oversee the pilot
38 program, and each entity involved shall submit all applicable information to the
39 Department as it deems necessary, including compiling and submitting energy usage
40 and cost data. The program shall include a one-year postoccupancy evaluation that shall
41 be included as part of the evaluation of the Triangle J Guidelines for each facility. The
42 entities participating in this program shall explore the concept of a "high performing

1 facility" in assessing the use of the Triangle J Guidelines for these projects. For
2 purposes of this section, "high performing facility" means a building and surrounding
3 environs designed using features that are energy efficient, incorporate reusable and
4 renewable resources, provide natural lighting, are nontoxic, require low maintenance,
5 are congruent with the natural characteristics of the site, incorporate water conservation
6 measures, and cause minimum adverse impact to the environment.

7 **SECTION 7.(d)** The Department of Administration shall submit an interim
8 report on the implementation of this program to the Senate and House of
9 Representatives Chairs of the Appropriations Committee, Chairs of General
10 Government Appropriations Subcommittee, and the Joint Legislative Commission on
11 Governmental Operations not later than December 15, 2002. The report shall discuss the
12 benefits of using the Triangle J Guidelines and make recommendations regarding the
13 use of the Triangle J Guidelines in the projects participating in the program and other
14 projects. The Department of Administration shall submit a final report to the Senate and
15 House of Representatives Chairs of the Appropriations Committee, Chairs of General
16 Government Appropriations Subcommittee, and the Joint Legislative Commission on
17 Governmental Operations not later than 18 months after completion of the last project
18 participating in this program, if practicable.

19 **SECTION 7.(e)** This act shall not be construed to obligate the General
20 Assembly to appropriate funds to implement the Triangle J Guidelines pilot program.

21 **SECTION 8.** This act becomes effective July 1, 2001.