

Regular Session, 2001

ACT No. 1184

HOUSE BILL NO. 1640

BY REPRESENTATIVES LEBLANC AND FAUCHEUX AND SENATOR
CAMPBELL

AN ACT

To amend and reenact Part VII of Chapter 1 of Subtitle 1 of Title 39 of the Louisiana Revised Statutes of 1950, comprised of R.S. 39:251 through 257, relative to the operation of state buildings; to provide for an energy management policy to minimize energy costs and consumption; to require that such policy be used by the agencies of state government; to require the development of energy cost-saving measures; to require reporting relative to such plans; to authorize the retention of certain monies associated with savings in expenses related to energy use; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. Part VII of Chapter 1 of Subtitle 1 of Title 39 of the Louisiana Revised Statutes of 1950, comprised of R.S. 39:251 through 257, is hereby amended and reenacted to read as follows:

PART VII. ENERGY MANAGEMENT ACT OF 2001

§251. Short title

This Part may be cited as the "Energy Management Act of 2001".

§252. Purpose

The purpose of this Part is to provide for development and implementation of a state energy management policy regarding all state-owned buildings and facilities in a manner which will minimize energy consumption and ~~insure~~ ensure that buildings and facilities are operated with maximum efficiency of energy use.

§253. Development and coordination of policy

A. ~~The Department of Natural Resources shall provide funding from petroleum violation escrow funds and provide technical assistance to the Division of Administration in developing and coordinating the implementation of a cohesive, continuing, and comprehensive energy management policy for state-owned buildings. The Division of Administration shall use energy utility index information received from the state facilities to develop a technical assistance energy audit priority list of state-owned buildings and facilities. As the Division of Administration completes technical assistance energy audits on state-owned buildings and facilities, operating and maintenance procedure recommendations will be issued to the appropriate agency.~~
The (1) The division of administration shall develop and implement a standardized reporting method to obtain information from each agency on energy usage and costs for such energy used no later than January 1, 2002. The reports shall include information relative to state-owned or leased buildings and facilities concerning location, billing name and address, square footage, hours of operation, demand charges, energy suppliers, and energy costs. Such reports shall be made on a biannual basis.

(2) The division of administration shall use this information to develop and maintain a database on all state buildings and facilities and their associated energy use, energy demand, and energy cost. The Department of Natural Resources shall provide energy management training upon request to certain state personnel, such as building managers, financial administrators, and others, and set minimum efficiency ratings for motors of specific sizes.

~~B. The Division of Administration shall prepare standardized reporting forms and require each state agency to provide information relative to state-owned buildings and facilities concerning square footage, hours of operation, and energy costs. The Division of Administration shall also require a semiannual energy utility index (B.T.U.s per square foot per year) for each state-owned building and facility. Further, the division shall review the recommended operation and maintenance procedures and, where feasible, shall require the agency to implement such recommendations prior to retrofit projects.~~

(1) The division of administration shall develop an initial energy cost index no later than April 1, 2002. The energy cost index shall be developed using the information obtained pursuant to Subsection A of this Section. The energy cost index shall include but not be limited to the following:

(a) British thermal units per square foot by building or facility class.

(b) Energy costs per million British thermal units.

(c) Kilowatt demand by square foot by class.

(d) A target power factor.

(2) The division of administration shall use the energy cost index to identify state buildings and facilities with elevated energy use or costs.

~~C. In addition to submitting the information required in this Section to the Division of Administration, each state agency shall develop, with the assistance of the Department of Natural Resources, and maintain an updated energy management plan. As part of the agency's plan, each building will be individually metered and incandescent lighting replaced with energy efficient lighting whenever feasible.~~

C. The division of administration shall conduct, or cause to be conducted, detailed bill assessments and energy audits on state buildings and facilities with identified elevated energy use or costs. Such assessments and energy audits shall be conducted on a priority basis based on results of the energy cost index. Bill assessments shall include assessments of gas and electrical consumption, peak demand and demand charges, service charges, and tariff or rate schedule appropriateness. Energy audits shall include audits of occupancy and use patterns, electrical controls and control systems, heating, ventilation, and air conditioning efficiency and maintenance, lighting efficiency, building infiltration, and control of radiant gain through walls, roof, and windows. In order to minimize expenditures, the division of administration shall utilize performance contracting and service agreements to the maximum extent possible.

~~D. Any agency which formulates and adopts an energy conservation plan, approved by the Division of Administration, may retain, with approval of the division, funds appropriated or allocated for~~

~~utility costs, to such agency from the state general fund which remain unexpended and unobligated at the end of the fiscal year. Retained funds shall be maintained by the agency in an energy conservation account and shall be used solely for energy conservation projects. All energy projects and expenditure of funds shall be approved by the Division of Administration. Funds retained from any fiscal year may be retained no longer than one year, at which time remaining funds not expended or encumbered shall be returned to the state treasurer. This provision for retaining funds will expire on June 30, 1990. Any project, the cost of which can be recovered in less than twelve months, should be implemented as a first priority with energy conservation reserve funds. Energy conserving projects involving a capital investment must have a documented payback period of less than five years. The division of administration shall make, or cause to be made, recommendations for energy cost-saving measures, hereinafter referred to as "ECSMs" as a result of bill assessments or energy audits conducted as provided in Subsection C of this Section. Approved ECSMs shall include measures to reduce energy consumption, reduce demand charges, improve power factors, and lower per unit energy costs. Such measures shall be prioritized on life cycle costing.~~

E. The division of administration shall aggregate buildings and facilities or agencies for the purpose of negotiating utility rates favorable to the state.

F. The division of administration shall evaluate the economic feasibility of on-site electrical generation. The division of administration shall develop on-site electrical generation when the per unit energy costs or energy demand charges make on-site generation

favorable on a life cycle cost analysis. On-site generation technologies may include fuel cells, fuel-fired turbines, and renewable energy sources such as photovoltaics, solar thermal energy, and biomass energy.

G. Success in achieving and maintaining savings in energy consumption and in implementing ECSMs, as well as accuracy and timeliness in completing and submitting the reports required under this Part, may be considered within the Joint Legislative Committee on the Budget's review of agency performance under the Louisiana Government Performance and Accountability Act.

§254. Implementation of recommendations; funding

~~The Department of Natural Resources, through the Division of Administration, shall make technical assistance energy audits available to all state agencies on the Division of Administration's priority schedule of state-owned buildings and facilities. Implementation of the technical assistance energy audits shall be funded on a priority basis. Payback and feasibility shall be determined by the Division of Administration and the agency. Petroleum violation escrow funds may be used to fund audits and their implementation.~~

A. Implementation of energy cost-saving measures or on-site generation projects shall be made on a funds available basis or through the use of a performance contract or service agreement requiring no expenditure. Energy cost-saving measures and on-site electrical generation projects involving a capital investment must have a positive life cycle cost analysis.

B.(1) Agencies able to demonstrate net savings from implementing ECSMs initiated by the agency may retain all of the

utility expenditure savings until the investment costs of implementing the ECSMs are paid in full, and thereafter may retain one-half of the utility expenditure savings over the remaining useful life of the ECSMs. Such retained utility expenditure savings shall be from funds appropriated or allocated for utility costs to such agency.

(2) Agencies able to demonstrate net savings from implementing ECSMs which were initiated by the agency prior to the effective date of this Act may retain all of the utility expenditure savings for the useful life of the ECSMs. Such retained utility expenditure savings shall be from funds appropriated or allocated for utility costs to such agency.

(3) The division of administration shall develop and promulgate such rules and regulations as are necessary to provide for the measurement and verification of energy savings.

(4) The provisions of Subsection B of this Section shall not apply to postsecondary institutions.

§255. Application

The provisions of this Part pertaining to capital investments shall apply ~~only~~ to all state-owned buildings and facilities and not to buildings and facilities leased by state agencies. The other provisions of this Part shall apply to the state-owned buildings and facilities and to that portion occupied or used by state agencies in buildings or facilities leased by the agency. The provisions of this Part shall apply to all agencies and departments of state government, including institutions of higher education and their respective management boards.

§256. Compliance

An agency ~~unable~~ failing to comply with the provisions of this Part shall file a report with the division of administration and the Joint Legislative Committee on the Budget stating the reasons it is unable to comply. The commissioner of administration shall withhold from the appropriations of any agency failing to comply with the provisions of this Part an amount equal to five percent of the amount appropriated to the agency for energy costs only if approved by the Joint Legislative Committee on the Budget. The commissioner of administration shall release any amounts withheld upon an agency's compliance with the provisions of this Part less the amount used by the division of administration for collecting energy data from the non-complying agency. The use and expenditure of such amounts by the division of administration are subject to approval by the Joint Legislative Committee on the Budget.

§257. Reporting requirements

~~In its annual report, the Division of Administration and the Department of Natural Resources shall report findings on results of energy reductions as mandated by this Part.~~ The division of administration shall report annually to the Joint Legislative Committee on the Budget and the Legislative Fiscal Office the results of the energy cost-saving measures undertaken pursuant to this Part and the savings generated by such measures.

Section 2. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided in Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and

subsequently approved by the legislature, this Act shall become effective on the day following such approval.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____