

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

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HOUSE BILL 1272*
Committee Substitute Favorable 4/24/01
Senate Commerce Committee Substitute Adopted 5/16/01
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Short Title: Energy Conservation/Pilot Program.

(Public)

Sponsors:

Referred to:

April 12, 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

1 the energy consumed, and of operation and maintenance of the facility
2 as it affects energy consumption; and

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

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

7 "For purposes of this Article:

8 ...

- 9 (2a) "~~Energy Division~~"Energy Office' means the State Energy
10 DivisionOffice of the Department of ~~Commerce~~Administration.

11"

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

13 "**§ 143-64.12. Authority and duties of State agencies.**

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

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

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

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

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

41 "(c) The General Assembly ~~encourages any~~requires each entity to conduct a
42 life-cycle cost analysis pursuant to this section for the construction ~~of any State-assisted~~

1 facility or the renovation of any State facility or State-assisted facility of 40,000-20,000
2 or more gross square feet."

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

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

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

11 "**§ 143-64.15A. Certification of life-cycle cost analysis.**

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

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

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

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

39 **SECTION 7.(c)** The Department of Administration shall oversee the pilot
40 program, and each entity involved shall submit all applicable information to the
41 Department as it deems necessary, including compiling and submitting energy usage
42 and cost data. The program shall include a one-year postoccupancy evaluation that shall

1 be included as part of the evaluation of the Triangle J Council of Governments' High
2 Performance Guidelines for each facility. The entities participating in this program shall
3 explore the concept of a "high performing facility" in assessing the use of the Triangle J
4 Guidelines for these projects. For purposes of this section, "high performing facility"
5 means a building and surrounding environs designed using features that are energy
6 efficient, incorporate reusable and renewable resources, provide natural lighting, are
7 nontoxic, require low maintenance, are congruent with the natural characteristics of the
8 site, incorporate water conservation measures, and cause minimum adverse impact to
9 the environment as enacted in Section 2(11) of S.L. 2000-143.

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

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

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