

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019

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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40128-TQ-2A

Short Title: Efficient Government Buildings & Savings Act. (Public)

Sponsors: Representatives Szoka, Arp, Humphrey, and Ross (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO SAVE NORTH CAROLINA TAXPAYER DOLLARS BY REQUIRING  
3 REDUCTIONS IN ENERGY AND WATER CONSUMPTION IN PUBLIC BUILDINGS  
4 BY 2025.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. G.S. 143-64.12 reads as rewritten:

7 "§ 143-64.12. Authority and duties of the Department; State agencies and State institutions  
8 of higher learning.

9 (a) The Department of Environmental Quality through the State Energy Office shall  
10 develop a comprehensive program to manage energy, water, and other utility use for State  
11 agencies and State institutions of higher learning and shall update this program annually. Each  
12 State agency and State institution of higher learning shall develop and implement a management  
13 plan that is consistent with the State's comprehensive program under this subsection to manage  
14 energy, water, and other utility use, and that addresses any findings or recommendations resulting  
15 from the energy audit required by subsection (b1) of this section. The energy consumption per  
16 gross square foot for all State buildings in total shall be reduced by twenty percent (20%) by  
17 ~~2010 and 2010~~, thirty percent (30%) by ~~2015-2015~~, and forty percent (40%) by 2025 based on  
18 energy consumption for the 2002-2003 fiscal year. Each State agency and State institution of  
19 higher learning shall update its management plan ~~biennially~~ annually and include strategies for  
20 supporting the energy consumption reduction requirements under this subsection. Each  
21 community college shall submit to the State Energy Office a ~~biennial~~ annual written report of  
22 utility consumption and costs. Management plans submitted ~~biennially~~ annually by State  
23 institutions of higher learning shall include all of the following:

24 ...  
25 (j) The State Energy Office shall submit a report by December 1 of every ~~odd-numbered~~  
26 year to the Joint Legislative Energy Policy Commission, the Joint Legislative Oversight  
27 Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research  
28 Division describing the comprehensive program to manage energy, water, and other utility use  
29 for State agencies and State institutions of higher learning required by subsection (a) of this  
30 section. The report shall also contain the following:

- 31 (1) A comprehensive overview of how State agencies and State institutions of  
32 higher learning are managing energy, water, and other utility use and  
33 achieving efficiency gains.  
34 (2) Any new measures that could be taken by State agencies and State institutions  
35 of higher learning to achieve greater efficiency gains, including any changes  
36 in general law that might be needed.



- 1 (3) A summary of the State agency and State institutions of higher learning  
2 management plans required by subsection (a) of this section and the energy  
3 audits required by subsection (b1) of this section.
- 4 (4) A list of the State agencies and State institutions of higher learning that did  
5 and did not submit management plans required by subsection (a) of this  
6 section and a list of the State agencies and State institutions of higher learning  
7 that received an energy audit.
- 8 (5) Any recommendations on how management plans can be better managed and  
9 implemented."

10 **SECTION 2.** G.S. 143-64.17 reads as rewritten:

11 **"§ 143-64.17. Definitions.**

12 As used in this Part:

- 13 (1) "Energy conservation measure" means a facility or meter alteration, training,  
14 or services related to the operation of the facility or meter, when the alteration,  
15 training, or services provide anticipated energy savings or ~~capture lost~~  
16 generate revenue. Energy conservation measure includes any of the following:
- 17 a. Insulation of the building structure and systems within the  
18 building-building, including proper air and duct sealing of all  
19 applicable areas in the building.
- 20 b. Storm windows or doors, caulking, weatherstripping, multiglazed  
21 windows or doors, heat-absorbing or heat-reflective glazed or coated  
22 window or door systems, additional glazing, reductions in glass area,  
23 or other window or door system modifications that reduce energy  
24 consumption.
- 25 c. Automatic energy control systems.
- 26 d. Heating, ventilating, or air-conditioning system modifications or  
27 replacements.
- 28 e. Replacement or modification of lighting fixtures to increase the energy  
29 efficiency of a lighting system without increasing the overall  
30 illumination of a facility, unless an increase in illumination is  
31 necessary to conform to the applicable State or local building code or  
32 is required by the light system after the proposed modifications are  
33 made.
- 34 f. Energy recovery systems.
- 35 g. Cogeneration systems that produce steam or forms of energy such as  
36 heat, as well as electricity, for use primarily within a building or  
37 complex of buildings.
- 38 h. Repealed by Session Laws 2006-190, s. 2, effective August 3, 2006,  
39 and applicable to contracts entered into or renewed on or after that  
40 date.
- 41 i. Faucets with automatic or metered shut-off valves, leak detection  
42 equipment, water meters, water recycling equipment, and wastewater  
43 recovery systems.
- 44 j. Other energy conservation measures that conserve energy, water, or  
45 other utilities.
- 46 k. Building analytics systems that allow for advanced software utilizing  
47 statistical modeling and machine learning, whether supervised or  
48 unsupervised, to establish data-driven benchmarks, predict future  
49 energy performance, and find additional energy savings opportunities.
- 50 (2) "Energy savings" means a measured reduction in fuel costs, energy costs,  
51 water costs, stormwater fees, other utility costs, or operating costs, including

1 environmental discharge fees, water and sewer maintenance fees, and  
2 increased meter accuracy, created from the implementation of one or more  
3 energy conservation measures when compared with an established baseline of  
4 previous costs, including ~~captured lost~~ generated revenues, developed by the  
5 governmental unit.

6 ...."

7 **SECTION 3.** G.S. 143-135.37 reads as rewritten:

8 "**§ 143-135.37. Energy and water use standards for public major facility construction and**  
9 **renovation projects; verification and reporting of energy and water use.**

10 ...

11 (b) Energy-Efficiency Standard. – For every major facility construction project of a  
12 public agency, the building shall be designed and constructed so that the calculated energy  
13 consumption is at least ~~thirty percent (30%)~~ forty percent (40%) less than the energy consumption  
14 for the same building as calculated using the energy-efficiency standard in ASHRAE 90.1-2004.  
15 For every major facility renovation project of a public agency, the renovated building shall be  
16 designed and constructed so that the calculated energy consumption is at least ~~twenty percent~~  
17 (20%) thirty percent (30%) less than the energy consumption for the same renovated building as  
18 calculated using the energy-efficiency standard in ASHRAE 90.1-2004. For the purposes of this  
19 subsection, any exception or special standard for a specific type of building found in ASHRAE  
20 90.1-2004 is included in the ASHRAE 90.1-2004 standard.

21 (c) Indoor Potable Water Use Standard. – For every major facility construction or  
22 renovation project of a public agency, the water system shall be designed and constructed so that  
23 the calculated indoor potable water use is at least ~~twenty percent (20%)~~ thirty percent (30%) less  
24 than the indoor potable water use for the same building as calculated using the fixture  
25 performance requirements related to plumbing under the 2006 North Carolina State Building  
26 Code.

27 ...."

28 **SECTION 4.(a)** Each State agency and State institution of higher learning shall, no  
29 later than May 31, 2020, conduct a preliminary practicality and economic feasibility analysis of  
30 implementing energy conservation measures for all buildings greater than 20,000 square feet in  
31 size and that have been in use for more than 10 years. Energy conservation measures are deemed  
32 to be economically feasible if the resulting energy savings will cover the cost of implementing  
33 the measures within 10 years. Each State agency and State institution of higher learning shall  
34 submit its findings to the State Energy Office. If the agency or institution of higher learning  
35 determines that it is not practical or economically feasible to implement energy conservation  
36 measures, the agency or institution of higher learning shall include findings of fact supporting  
37 that determination in the findings it submits to the State Energy Office. If the State agency or  
38 State institution of higher learning determines that it is practical and economically feasible to  
39 implement energy conservation measures, the agency or institution of higher learning shall do  
40 so. The energy conservation measures may be achieved by issuing a request for proposal for a  
41 guaranteed energy savings contract for all covered buildings owned by the agency or institution  
42 of higher learning. If the agency or institution of higher learning issues a request for proposal for  
43 a guaranteed energy savings contract for one or more buildings, the agency or institution of higher  
44 learning shall issue the request for proposal no later than December 31, 2020. The agency or  
45 institution of higher learning shall follow the process provided in Part 2 of Article 3B of Chapter  
46 143 of the General Statutes. The definitions provided in G.S. 143-64.17 shall apply for purposes  
47 of this section.

48 **SECTION 4.(b)** No later than May 31, 2025, each State agency and State institution  
49 of higher learning shall repeat the process set forth in subsection (a) of this section for all  
50 buildings greater than 10,000 square feet in size and that have been in use for more than 10 years.  
51 If the agency or institution of higher learning issues a request for proposal for a guaranteed energy

1 savings contract for one or more buildings, the agency or institution of higher learning shall issue  
2 the request for proposal no later than December 31, 2025.

3       **SECTION 4.(c)** This section shall not apply to any building for which a practicality  
4 and economic feasibility analysis of implementing energy conservation measures has been  
5 conducted within three years prior to the effective date of this section.

6       **SECTION 4.(d)** This section is effective when it becomes law. This section shall  
7 not be interpreted to prohibit any State agency or State institution of higher learning from issuing  
8 any request for proposal for a guaranteed energy savings contract.

9       **SECTION 5.** Sections 4.2.(a) and 4.2.(b) of S.L. 2017-10 are repealed.

10       **SECTION 6.** Except as otherwise provided, this act is effective when it becomes  
11 law.