

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version: SB 190
Fiscal Note Number:
() Publish Date:

Identifier: SB190-DOT-HAF-4-12-18
Title: ENERGY EFFICIENCY OF PUBLIC BUILDINGS
Sponsor: BEGICH
Requester: Senate State Affairs

Department: Department of Transportation and Public Facilities
Appropriation: Highways, Aviation and Facilities
Allocation: Facilities Services
OMB Component Number: 3195

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2019 Appropriation Requested	Included in Governor's FY2019 Request	Out-Year Cost Estimates				
			FY 2019	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES							
Personal Services	459.6			459.6	459.6	459.6	459.6
Travel	120.0			120.0	120.0	120.0	120.0
Services	369.1			369.1	369.1	369.1	369.1
Commodities	30.0						
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	978.7	0.0	948.7	948.7	948.7	948.7	948.7

Fund Source (Operating Only)

1004 Gen Fund (UGF)	978.7		948.7	948.7	948.7	948.7	948.7
Total	978.7	0.0	948.7	948.7	948.7	948.7	948.7

Positions

Full-time	4.0		4.0	4.0	4.0	4.0	4.0
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0						

Estimated SUPPLEMENTAL (FY2018) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2019) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Correcting initial version.

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Date: 04/12/2018 06:15 PM
Date: 04/12/18

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

BILL NO. SB 190

Analysis

This proposal increases the requirement for the department to carry out energy efficiency retrofits to 25% of all public facilities by reducing the building size criteria from 10,000 square feet to 5,000 square feet. It expands the definition of public facilities to include governmental, education and public use buildings, 5,000 square feet or more, that are owned and controlled by the state. Additionally, it increases the requirement for DOT&PF to perform energy audits on each public building and public school building at least once every seven years.

Energy Audits (Section 4): This proposal would require energy audits on approximately 500 public school buildings every seven years costing \$5.0 per building. It is estimated that approximately \$357.1 per year is needed to conduct the energy audits. (Existing law under AS 44.42.065 (a) requires the department to perform energy audits every seven years on approximately 2,500 public buildings. The department is not currently performing these audits nor is the department currently funded for these activities.)

Energy Efficiency Retrofits (Sections 1, 7, 8): The department estimates approximately 15 public facilities per year, as defined in the bill, will need energy efficiency retrofits in order to meet the goal of having 25% of public facilities completed by 2025. Approximately \$15M per year will need to be awarded in Energy Savings Performance Contracts to meet the goal of achieving \$100M in retrofits by 2025. It is assumed these retrofits will be financed through a mechanism such as the Alaska Housing Finance Corporation's Alaska Energy Efficiency Revolving Loan Program, or a private lender.

Assumptions used in this fiscal analysis

Energy Audits:

Approximately 2,500 public buildings

Approximately 500 public school buildings = $500 \times \$5.0$ per building = **\$2.5M/7 years = \$357.1 (on-going)**

Energy Efficiency Retrofits:

Travel: 60 site visits per year $\times \$2.0$ per trip = **\$120.0 (on-going)**

1st year Commodity costs: $\$7.5 \times 4$ positions = **\$30.0 (one-time)**

On-going Core Services: $\$3.0 \times 4$ positions = **\$12.0 (on-going)**

Four additional positions are required to achieve the above goals.

Two Engineering/Architect II positions (Range 23)

$\$127.9 \times 2 = \255.8 (on-going)

These positions would initiate, manage and oversee the energy efficiency retrofits at the public buildings as well as manage the energy savings performance contracts.

Two Engineering/Assistant II positions (Range 19)

$\$101.9 \times 2 = \203.8 (on-going)

These positions would provide on-site construction management for the individual energy efficiency retrofits as well as management of the annual energy audit efforts.