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CS FOR SENATE BILL NO. 121(RES)**IN THE LEGISLATURE OF THE STATE OF ALASKA****TWENTY-SIXTH LEGISLATURE - FIRST SESSION****BY THE SENATE RESOURCES COMMITTEE****Offered:****Referred:****Sponsor(s): SENATE RESOURCES COMMITTEE****A BILL****FOR AN ACT ENTITLED**

"An Act relating to energy audits of public facilities and to energy efficiency for public facilities with the intent of reducing state operating costs."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section to read:

PURPOSE. The purpose of this Act is to reduce the amount of energy consumed by public facilities by 20 percent not later than 15 years after the completion of the energy use index database, thereby reducing costs to the state and increasing jobs in energy efficiency industries.

*** Sec. 2.** AS 44.42.065 is amended to read:

Sec. 44.42.065. Energy use index database maintenance; energy audit
[CONSERVATION OF ENERGY IN PUBLIC BUILDINGS]. (a) The department shall

(1) update the energy use index database established in

1 **AS 44.83.955 not later than December 31 of each year; and**

2 **(2) conduct** [, AT LEAST ONCE EVERY SEVEN YEARS,
3 PERFORM] an energy audit of each public **facility whenever, in updating the**
4 **energy use index under (1) of this subsection, the department determines there is**
5 **substantial energy inefficiency for the public facility** [BUILDING].

6 (b) The department shall include in each energy audit required by **(a)(2)** [(a)]
7 of this section recommendations for corrective measures to improve the energy
8 efficiency and to minimize the life-cycle cost of the public **facility** [BUILDING]
9 surveyed. These measures may include (1) energy conservation measures, (2)
10 measures involving solar technology and other **renewable** [ALTERNATIVE] energy
11 systems, (3) energy management, and (4) maintenance and operating procedures and
12 energy-related modifications. In recommending the corrective measures, the
13 department shall give priority to changes in maintenance and operating procedures
14 over measures requiring substantial structural modification or installation of
15 equipment.

16 (c) In this section, "energy audit" means a determination of

17 (1) the energy consumption characteristics of a **public facility**
18 [BUILDING], including the size, type, and rate of energy consumption of major
19 energy-consuming systems of the **public facility** [BUILDING] and the climate
20 characterizing the region where the **public facility** [BUILDING] is located; and

21 (2) a determination of the energy conservation and cost savings likely
22 to result from appropriate energy-conserving maintenance and operating procedures
23 and modifications, including the purchase and installation of energy-related fixtures.

24 * **Sec. 3.** AS 44.42 is amended by adding a new section to read:

25 **Sec. 44.42.067. Retrofits; performance contracting for energy efficiency.**

26 (a) In addition to its obligation under AS 44.42.065, the department shall

27 (1) retrofit all public facilities listed in the energy use index described
28 in AS 44.83.955; and

29 (2) retrofit, replace, or redesign inefficient lighting fixtures to be as
30 efficient as possible while meeting federal guidelines.

31 (b) In carrying out the duty under (a) of this section, the department may, if no

1 other funding or partial funding for a project is available,

2 (1) enter into an energy performance contract; and

3 (2) administer a performance contract for a public facility by
4 contracting with an energy service company that is a member of the National
5 Association of Energy Service Companies.

6 (c) If the department uses an energy performance contract under (b) of this
7 section for a project retrofitting a public facility, the contract may also include
8 renewable energy projects and capital improvements not related to energy retrofitting.

9 (d) The department shall manage its duties under (a) of this section so that the
10 retrofitting of public facilities identified in the energy use index database described in
11 AS 44.83.955 shall be completed not later than 15 years after completion of the energy
12 use index database.

13 (e) If the department determines that an energy retrofit described under (a) of
14 this section is not cost-effective, the department may postpone the retrofit until it is
15 determined to be cost-effective or additional capital improvements are required. In
16 making the determination under this subsection, the department may consider if the
17 energy retrofit will be able to meet a return on investment within 15 years after the
18 project is completed.

19 (f) Any retrofit, new construction, or deferred maintenance of a public facility
20 performed under this section must meet or exceed the most recently published edition
21 of the ASHRAE/IESNA Standard 90.1, Energy Standard for Buildings Except for
22 Low-Rise Residential Buildings, as published by the American Society of Heating,
23 Refrigerating and Air-Conditioning Engineers.

24 (g) In this section,

25 (1) "performance contract" means an agreement for the provision of
26 energy services and equipment in which a private entity or qualified third party agrees
27 to finance, design, construct, install, maintain, operate, or manage energy systems or
28 equipment to improve the energy efficiency of, or produce energy for, a facility in
29 exchange for a portion of the cost savings, lease payments, or specified revenue, and
30 by which the level of payments is made contingent on verified energy savings, energy
31 production, avoided maintenance, avoided energy equipment replacement, or any

1 combination of verified energy savings, energy production, avoided maintenance, or
2 avoided energy equipment replacement;

3 (2) "public facility" means a facility owned or controlled and held by
4 the state for government or public use.

5 * **Sec. 4.** AS 44.83 is amended by adding a new section to read:

6 **Sec. 44.83.955. Energy use index.** (a) The authority shall

7 (1) develop an energy use index for public facilities to measure
8 baseline energy consumption;

9 (2) establish an energy use index database to include baseline energy
10 use data for all public facilities evaluated in (1) of this subsection; and

11 (3) adopt regulations establishing the methodology to be used in
12 determining the energy use index described in (1) of this subsection.

13 (b) In this section, "public facility" means a facility owned or controlled and
14 held by the state for government or public use.

15 * **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to
16 read:

17 **ENERGY USE INDEX DATABASE.** The Alaska Energy Authority shall establish
18 the energy use index database described in AS 44.83.955, added by sec. 4 of this Act, not later
19 than six months after the effective date of this Act.

20 * **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to
21 read:

22 **ENERGY PERFORMANCE REPORT.** Not later than January 31 of each of the three
23 years following the completion of an energy retrofit project, the Department of Transportation
24 and Public Facilities shall submit to the legislature an energy performance report detailing the
25 effectiveness of the energy efficiency measures provided for in this Act.