

32-LS0187\B
Klein
3/24/21

CS FOR SENATE BILL NO. 17(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered:

Referred:

Sponsor(s): SENATOR BEGICH

A BILL

FOR AN ACT ENTITLED

"An Act relating to the retrofitting of certain public facilities and community facilities; relating to the performance of energy audits on schools and community facilities; relating to the duties of the Alaska Energy Authority and the Alaska Housing Finance Corporation; creating a rapid economic recovery office in the Alaska Industrial Development and Export Authority; and relating to the state energy policy and energy source reporting by state agencies."

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

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

LEGISLATIVE INTENT. It is the goal of this legislation that the state, by 2026, enter into energy service performance contracts valued at \$100,000,000 to retrofit public facilities, public buildings, and public school buildings in a manner that will result in a net savings in energy costs to the state within 15 years after completion of the retrofits. It is the intent of the

legislature that those entities be able to capitalize on the abundant cost-saving potential afforded by energy efficiency upgrades, while avoiding an upfront cost to the state, that will ultimately result in reduced costs to building owners, the state, and the power cost equalization program established under AS 42.45.100 - 42.45.150.

* **Sec. 2.** AS 18.56 is amended by adding a new section to article 6 to read:

Sec. 18.56.865. Energy audits of community facilities. If requested by the Alaska Energy Authority, the corporation shall coordinate with the Alaska Energy Authority to perform energy audits of community facilities under AS 44.83.088.

* **Sec. 3.** AS 42.45.110 is amended by adding a new subsection to read:

(j) The owner or operator of a community facility of over 5,000 square feet for which a utility is entitled to receive power cost equalization under (b) of this section for sales of power to that community facility may allow the Alaska Energy Authority, the Alaska Housing Finance Corporation, or the Department of Transportation and Public Facilities to

(1) perform an energy audit of the community facility under AS 44.42.065(a);

(2) retrofit the community facility under AS 44.42.067(a).

* **Sec. 4.** AS 44.42.065(a) is amended to read:

(a) The department shall, at least once every seven years, perform an energy audit of each public building **and public school building. An energy audit performed under this section to determine potential savings must meet the minimum standards of an American Society of Heating, Refrigerating and Air-Conditioning Engineers Level 1 in-person or virtual energy audit.**

* **Sec. 5.** AS 44.42.065(c) is amended to read:

(c) In this section,

(1) "energy audit" means a determination of

[(1)] the energy

(A) consumption characteristics of a building, including the size, type, and rate of energy consumption of major energy-consuming systems of the building and the climate characterizing the region where the building is located; and

(B) [(2) A DETERMINATION OF THE ENERGY] conservation and cost savings likely to result from appropriate energy-conserving maintenance and operating procedures and modifications, including the purchase and installation of energy-related fixtures;

(2) "public school" has the meaning given in AS 14.25.220, but does not include a charter school as defined in AS 14.03.290.

* **Sec. 6.** AS 44.42.065 is amended by adding a new subsection to read:

(d) The department shall, if requested by the Alaska Energy Authority, coordinate with the Alaska Energy Authority to perform energy audits of community facilities under AS 44.83.088.

* **Sec. 7.** AS 44.42.067(a) is amended to read:

(a) Not later than January 1, 2026 [JANUARY 1, 2020], the department shall work with other state agencies to retrofit at least 25 percent of all public facilities, starting with those it determines are the least energy efficient, if the department determines that retrofitting the public facilities will result in a net savings in energy costs to the state within 15 years after completion of the retrofits for a public facility and if funding for the retrofits is available.

* **Sec. 8.** AS 44.42.067(e) is amended to read:

(e) In this section, "public facility" means a facility owned and controlled by the state for governmental, educational, [GOVERNMENT] or public use that is 5,000 [10,000] square feet or more and is not a legislative building or court building.

* **Sec. 9.** AS 44.83 is amended by adding a new section to read:

Sec. 44.83.088. Energy audits. (a) The authority shall coordinate with the Department of Transportation and Public Facilities and the Alaska Housing Finance Corporation, if appropriate, at least once every seven years, to perform an energy audit on each community facility for which a utility receives power cost equalization under AS 42.45.110(b). The requirement under this section may be waived for a community facility that refuses an energy audit.

(b) The authority shall include in each energy audit required by (a) of this section recommendations for the corrective measures described in AS 44.42.065(b).

(c) The authority shall work with an owner or operator of a community facility

for which a utility receives power cost equalization under AS 42.45.110(b) to identify state, federal, or other grant or loan programs, or to coordinate energy service performance contracts, to fund energy audits or retrofits.

(d) In this section, "energy audit" has the meaning given in AS 44.42.065(c).

* **Sec. 10.** AS 44.88 is amended by adding a new section to read:

Sec. 44.88.179. Rapid economic recovery office. (a) The authority shall create a rapid economic recovery office to facilitate the state energy policy described in AS 44.99.115(b) and encourage private investment in energy upgrades at state facilities and public schools.

(b) The rapid economic recovery office shall periodically review energy audits of state facilities and public schools, identify facility retrofit projects that may be bundled, market bundled facility retrofit projects to lenders, and coordinate with the Department of Transportation and Public Facilities to facilitate, support, and contract for bundled facility retrofit projects.

* **Sec. 11.** AS 44.99.115 is amended by adding a new subsection to read:

(b) It is a goal of the state energy policy that, by 2026, at least 50 percent of the energy used by the state and state-funded facilities be obtained from renewable energy sources. Each year, the Alaska Energy Authority shall request from each state agency or state-funded facility, and each state agency or state-funded facility shall provide, an estimate of the percentage of energy the state agency or state-funded facility obtains from a renewable energy source. In this subsection,

(1) "renewable energy" means energy from wind; solar; geothermal; wasteheat recovery; hydrothermal; wave; tidal; river in-stream; hydropower; low-emission nontoxic biomass based on solid or liquid organic fuels from wood, forest, and field residues, or animal or fish products; landfill gas; digester gas; or a heat pump;

(2) "state-funded facility" means a

(A) public school building; in this subparagraph, "public school" has the meaning given in AS 14.25.220 but does not include a charter school as defined in AS 14.03.290; and

(B) community facility for which a utility receives power cost

1

equalization under AS 42.45.110(b).