

Fiscal Note

State of Alaska
2021 Legislative Session

Bill Version:	CSSB 17(CRA)
Fiscal Note Number:	3
(S) Publish Date:	4/9/2021

Identifier: SB017-DOT-HAF-2-20-21
Title: ENERGY EFFICIENCY & POLICY: PUB. BLDGS
Sponsor: BEGICH
Requester: Senate CRA

Department: Department of Transportation and Public Facilities
Appropriation: Division of Facilities Services
Allocation: Facilities Services
OMB Component Number: 3195

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2022 Appropriation Requested	Included in Governor's FY2022 Request	Out-Year Cost Estimates					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
OPERATING EXPENDITURES								
Personal Services	555.8		555.8	555.8	555.8	555.8	555.8	555.8
Travel	120.0		120.0	120.0	120.0	120.0	120.0	120.0
Services	726.3		726.3	726.3	726.3	726.3	726.3	726.3
Commodities	30.0							
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	1,432.1	0.0	1,402.1	1,402.1	1,402.1	1,402.1	1,402.1	1,402.1

Fund Source (Operating Only)

1004 Gen Fund (UGF)	1,432.1		1,402.1	1,402.1	1,402.1	1,402.1	1,402.1	1,402.1
Total	1,432.1	0.0	1,402.1	1,402.1	1,402.1	1,402.1	1,402.1	1,402.1

Positions

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

Change in Revenues

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2021) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2022) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? no
(Supplemental/Capital/New Fund - 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If yes, by what date are the regulations to be adopted, amended or repealed?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:

Not applicable, initial version.

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Division:	Commissioiner's Office	Date:	02/21/2021 01:00 PM
Approved By:	Dom Pannone, DOT&PF Administrative Services Director	Date:	01/21/21
Agency:	Office of Management & Budget		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
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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 greater, 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 \$10.0 per building. It is estimated that approximately \$714.3 per year is needed to conduct the energy audits.

Energy Efficiency Retrofits (Sections 1, 7, 8):

Approximately \$15M per year will need to be awarded in Energy Savings Performance Contracts to meet the goal in Section 1 of achieving \$100M in retrofits by 2026. It is assumed that the source of funds to accomplish these retrofits is through financing.

The department estimates approximately 4 public facilities per year, as defined in Section 8, will need energy efficiency retrofits in order to meet the requirement of Section 7 - 25% of public facilities retrofitted by 2026.

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.

Energy Efficiency Retrofits (Section 10):

The department estimates additional personnel management efforts would be required to contract bundled energy efficiency projects identified by the AEA Rapid Economic Recovery Office.

50% Clean Energy Goal by 2026 (Section 11): There will be an indeterminate fiscal impact with this goal. The high-level cyclical steps to advance toward the 50% goal would be:

- 1) State (all agencies and schools) reviews its facilities portfolio for those that are served by either clean energy utilities (hydro, wind, etc.) and those that have clean energy systems at the facility level.
- 2) State estimates the clean energy percentage from the total.
- 3) State works with utility providers to, where possible, move them toward becoming a clean energy utility.
- 4) State prioritizes and recommends facility candidates that can move toward clean energy systems at the facility level. State funds or finances those recommended facility retrofits, and implements.
- 5) Repeat cycle.

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2021 LEGISLATIVE SESSION

BILL NO. SB 17

Analysis

Assumptions used in this fiscal analysis

Energy Audits:

Energy Audits for Section 4:

Approximately 2,500 public buildings

Approximately 500 public school buildings = $500 \times \$10.0$ per building = $\$2.5M/7$ years = **\$714.3 (on-going)**

Energy Efficiency Retrofits:

Energy Efficiency Retrofits at state owned buildings (Section 7) and public schools (Section 10).

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

Four additional positions are required to achieve the above goals:

Two Engineering/Architect II positions (Range 23)

$\$160.9 \times 2 =$ **\$321.8 (on-going)**

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

Two Engineering Assistant II positions (Range 19)

$\$117.0 \times 2 =$ **\$234.0 (on-going)**

These positions would provide on-site construction management and coordination for the individual energy efficiency retrofits.

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)