

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 667** HLS 15RS 579
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.: **w/ PROP HSE COMM AMD**
 Sub. Bill For.:

Date: May 11, 2015 6:54 AM **Author:** ORTEGO
Dept./Agy.: Division of Administration (DOA) **Analyst:** Travis McIlwain
Subject: State Water & Energy Transparency Act (SWETA)

PUBLIC BLDGS/GROUNDS-ST OR SEE FISC NOTE GF EX Page 1 of 1

Provides relative to creating energy efficiency and savings by requiring the replacement of standard light bulbs with energy efficient light bulbs in state buildings and the installation of solar energy equipment on state buildings

Proposed bill with proposed committee amendments reenacts the state's energy reporting policies for all metered state-owned buildings that have a combined square footage greater than 25,000 square feet per meter and includes the reporting of energy/water usage statistics for state-owned or leased buildings. Proposed bill with proposed committee amendments expands the reporting requirements to include water usage statistics. Proposed bill requires the Division of Administration (DOA) to utilize the ENERGY STAR Portfolio Manager, or an equivalent no-cost program, to measure and report energy and water efficiency for facilities. Proposed bill with proposed committee amendments provide for state agencies to report this information about energy usage on a website created by the Division of Administration annually. Proposed bill with proposed committee amendments provides that energy audits on energy and water usage not be conducted until 2 years of data is collected. Effective January 1, 2016.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						
REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The proposed legislation may result in an indeterminable expenditure increase for an additional position to train state agencies on the how to report water/energy usage in FY 16 and will likely result in an indeterminable increase in expenditures from conducting energy audits likely beginning in FY 18 and beyond.

This legislation reenacts the state's energy reporting policies and provides for the DOA to report the energy and water usage of metered state-owned buildings that have a combined square footage greater than 25,000 square feet. According to the FP&C, the approximate number of buildings impacted by this legislation is approximately 1,200. This bill provides for the DOA to use the Energy Star Portfolio Manager or an equivalent system to measure and report energy and water efficiency for facilities. The U.S. Environmental Protection Agency's (EPA) Energy Star Portfolio Manager software is free and of no cost to the state. Therefore, there should be no anticipated IT costs associated with reporting this information. However, this bill will result in a marginal increase in workload of state agency personnel as each agency will be required to input their energy/water usage information into the database (Energy Start Portfolio Manager) and will require an employee of FP&C to conduct software training for these state agencies on the use of the system. The DOA anticipates the total cost of the position to be approximately \$100,000 (salary & related benefits). However, to the extent the FP&C were to assign a current employee to train the various state agencies, the agency would likely not need the additional position.

In addition, this bill with proposed committee amendments may result in an increase in expenditures in FY 18 and in subsequent fiscal years if it is determined that energy audits are needed based upon the data collected, beginning two years from now. The DOA indicates that an energy audit, which would be completed by a contractor, typically costs approximately \$25,000/audit. An energy audit reports on the available options to the state that could reduce the amount of energy/water being utilized.

To the extent the state agency reporting requirements provided within this legislation actually result in changed agency behavior (reducing water & energy usage) as result of having to report the information, there could be a reduction in the state's overall operating costs. The extent of these savings, if they occur at all, is indeterminable and unknown at this time.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

- Senate Dual Referral Rules House
- 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 - 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}
 - 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 - 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S}
 - 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux
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Staff Director