

**STATE
FISCAL IMPACT**

Drafting Number: LLS 12-0443

Date: February 15, 2012

Prime Sponsor(s): Rep. Jones
Sen. Bacon

Bill Status: House Transportation

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TITLE: CONCERNING TRACKING THE UTILITY DATA OF A STATE-ASSISTED FACILITY THAT HAS ATTAINED HIGH PERFORMANCE AS PART OF ITS CAPITAL CONSTRUCTION PROJECT.

| Fiscal Impact Summary | FY 2012-2013 | FY 2013-2014 |
|--|---------------------------------|--------------|
| State Revenue | | |
| State Expenditures | See State Expenditures section. | |
| FTE Position Change | | |
| Effective Date: July 1, 2012, if no referendum petition is filed. | | |
| Appropriation Summary for FY 2012-2013: None required. | | |
| Local Government Impact: None. | | |

Summary of Legislation

Beginning July 1, 2012, the bill, **with strike-below amendment L.001**, requires state agencies, including higher education institutions, to monitor, track, and verify utility usage data for all state-assisted facilities that have achieved high performance certification. Agencies are directed to annually report utility usage data to the Office of the State Architect (OSA), within the Department of Personnel Administration. Completed facilities and those under design or construction that were required — pursuant to current law — to be designed or built to high performance certification standards are strongly encouraged, but not required, to follow the provisions of this bill.

Background

High performance certification program. Pursuant to current law, the OSA oversees a high performance standards certification program for the construction and substantial renovation of state-assisted facilities. A state-assisted facility generally includes any facility constructed or renovated in whole or part with state funds, such as Capital Construction Fund or General Fund dollars. A state-assisted facility also includes academic facilities constructed or renovated on a higher education campus and paid from cash funds. High performance certification is attainable if the increased initial costs of substantial renovation, design, or new construction can be recouped from decreased operation costs within 15 years. The OSA targeted standard of high performance is the Leadership in Energy and Environmental Design (LEED) Gold standard.

Executive Order D 2010-006. An April 2010 executive order directed state agencies to use EnergyCAP software to track utility bill information for all agency-owned facilities. Pursuant to the executive order, the Governor's Energy Office purchased a perpetual licence for the EnergyCAP software for all executive branch agencies. It also provided training to agency personnel on the use of the software.

State Expenditures

To the extent that a new construction or substantial renovation project would not have otherwise included the necessary metering equipment to monitor, track, and verify utility usage data, there may be initial increased capital costs. However, this fiscal note anticipates that the initial increased capital costs will be offset by a reduction in the long-term operating costs.

Metering. The cost of installing meters to track utility usage data varies according to the size of a facility, but typically ranges from \$15,000 to \$20,000, according to the OSA. Capital construction budget requests already include a calculation of the costs required to attain high performance certification. This fiscal note assumes that any additional metering costs for future projects will be included in the calculation of the high performance certification program line, and approved through the regular capital budget process. Based on the prioritized funding recommendation for capital projects submitted by the Governor's Office of State Planning and Budgeting for FY 2012-13, no additional costs for monitoring, tracking, or verifying utility usage data are assumed for FY 2012-13 or FY 2013-14.

Operational savings. Facilities built to high performance certification standards are required to recoup any increased initial costs of substantial renovation, design, or new construction required to meet these standards within 15 years of substantial completion of the project. This fiscal note assumes that facilities built to high performance certification standards will realize future operational cost savings. For example, the University of Colorado at Boulder reports that the utility cost savings for the Wolf Law Building, which was built to the LEED Gold standard, as compared with the average campus building, is about \$251,240 per year.

Costs associated with monitoring, tracking, and reporting. Higher education institutions without an existing utility usage tracking program will experience one-time costs to purchase the necessary software or program to track utility usage for any new facilities that are designed on or after July 1, 2012.

Departments Contacted

All Departments