Enrolled Copy H.B. 198

1	STATE AGENCY ENERGY EFFICIENCY
2	2008 GENERAL SESSION
3	STATE OF UTAH
4	Chief Sponsor: Fred R. Hunsaker
5	Senate Sponsor: Scott K. Jenkins
6	
7	LONG TITLE
8	General Description:
9	This bill enacts and amends provisions relating to state agency energy efficiency.
10	Highlighted Provisions:
11	This bill:
12	 requires the Legislature, subject to future budget constraints, to retain energy
13	savings in a state agency's appropriation;
14	 creates a revolving loan fund to lend monies to state agencies to finance energy
15	efficiency measures;
16	establishes a sunset date for certain provisions of the bill; and
17	makes technical corrections.
18	Monies Appropriated in this Bill:
19	None
20	Other Special Clauses:
21	None
22	Utah Code Sections Affected:
23	AMENDS:
24	63-55-263, as last amended by Laws of Utah 2007, Chapters 216, 306, and 317
25	ENACTS:
26	63A-5-602 , Utah Code Annotated 1953
27	63A-5-603 , Utah Code Annotated 1953
28	RENUMBERS AND AMENDS:
29	63A-5-601, (Renumbered from 63-9-63, as last amended by Laws of Utah 2006,

H.B. 198 Enrolled Copy

30 31	Chapter 278)
32	Be it enacted by the Legislature of the state of Utah:
33	Section 1. Section 63-55-263 is amended to read:
34	63-55-263. Repeal dates, Titles 63 to 63E.
35	(1) Title 63, Chapter 25a, Part 3, Sentencing Commission, is repealed January 1, 2012.
36	(2) The Crime Victims' Reparations Board, created in Section 63-25a-404, is repealed
37	July 1, 2017.
38	(3) The Resource Development Coordinating Committee, created in Section
39	63-38d-501, is repealed July 1, 2015.
40	(4) Title 63, Chapter 38f, Part 4, Enterprise Zone Act, is repealed July 1, 2008.
41	(5) (a) Title 63, Chapter 38f, Part 11, Recycling Market Development Zone Act, is
42	repealed July 1, 2010.
43	(b) Sections 59-7-610 and 59-10-1007 regarding tax credits for certain persons in
44	recycling market development zones, are repealed for taxable years beginning on or after
45	January 1, 2011.
46	(c) Notwithstanding Subsection (5)(b), a person may not claim a tax credit under
47	Section 59-7-610 or 59-10-1007:
48	(i) for the purchase price of machinery or equipment described in Section 59-7-610 or
49	59-10-1007, if the machinery or equipment is purchased on or after July 1, 2010; or
50	(ii) for an expenditure described in Subsection 59-7-610(1)(b) or 59-10-1007(1)(b), if
51	the expenditure is made on or after July 1, 2010.
52	(d) Notwithstanding Subsections (5)(b) and (c), a person may carry forward a tax credit
53	in accordance with Section 59-7-610 or 59-10-1007 if:
54	(i) the person is entitled to a tax credit under Section 59-7-610 or 59-10-1007; and
55	(ii) (A) for the purchase price of machinery or equipment described in Section 59-7-610
56	or 59-10-1007, the machinery or equipment is purchased on or before June 30, 2010; or
57	(B) for an expenditure described in Subsection 59-7-610(1)(b) or 59-10-1007(1)(b), the

Enrolled Copy H.B. 198

- expenditure is made on or before June 30, 2010.
 (6) Title 63, Chapter 47, Utah Commission for Women and Families, is repealed July 1,
 2011.
- 61 (7) Title 63, Chapter 75, Families, Agencies, and Communities Together for Children 62 and Youth At Risk Act, is repealed July 1, 2016.
- 63 (8) Title 63, Chapter 88, Navajo Trust Fund, is repealed July 1, 2008.
- 64 (9) Title 63, Chapter 99, Utah Commission on Aging, is repealed July 1, 2009.
- 65 (10) Section 63A-4-204, authorizing the Risk Management Fund to provide coverage 66 to any public school district that chooses to participate, is repealed July 1, 2016.
- 67 (11) Section 63A-5-603, State Facility Energy Efficiency Fund, is repealed July 1,
- 68 <u>2016.</u>
- 69 [(11)] (12) Section 63C-8-106, Rural residency training program, is repealed July 1,
- 70 2015.

78

79

80

81

82

83

84

- Section 2. Section **63A-5-601**, which is renumbered from Section 63-9-63 is
- 72 renumbered and amended to read:
- 73 Part 6. Energy Conservation and Alternative Financing
- 74 [63-9-63]. 63A-5-601. Legislative findings and policy.
- 75 (1) The Legislature finds the following:
- 76 (a) The operation of facilities owned and controlled by the state consumes significant amounts of energy.
 - (b) Facilities owned and controlled by the state present a significant opportunity for energy cost savings through the implementation of conservation measures.
 - (c) Principles which produce efficient facility management in the private sector are equally applicable to the management of public buildings and facilities.
 - (d) There exists, in the private sector, favorable alternative methods of financing energy conservation measures which are not readily adaptable to financing state facility energy efficiency improvements due to current budgetary practices.
- 85 (e) Maximization of energy conservation efforts in light of limited resources requires

H.B. 198 Enrolled Copy

86	careful advance planning by responsible agencies.
87	(2) The Legislature declares that it is the policy of the state to:
88	(a) undertake aggressive programs designed to reduce energy use in state facilities in
89	order to reduce the operating costs of state government and to set an example of energy
90	efficiency for the public;
91	(b) utilize, to the greatest practical extent, alternative funding sources and methods of
92	financing energy efficiency improvements in state facilities in a manner which minimizes the
93	necessity for increased appropriations;
94	(c) employ private sector management incentive principles, to the extent practicable, to
95	implement the policies in Subsections (2)(a) and (b);
96	(d) develop incentives to encourage state entities to conserve energy, reduce energy
97	costs, and utilize renewable energy sources where practicable; and
98	(e) procure and use energy efficient products where practicable.
99	Section 3. Section 63A-5-602 is enacted to read:
100	63A-5-602. Appropriation for energy efficiency measures.
	63A-5-602. Appropriation for energy efficiency measures.(1) For purposes of this part:
100	
100 101	(1) For purposes of this part:
100 101 102	(1) For purposes of this part: (a) "Energy efficiency measures" is as defined in Section 63-9-67.
100 101 102 103	 (1) For purposes of this part: (a) "Energy efficiency measures" is as defined in Section 63-9-67. (b) "Energy savings" means monies not expended by a state agency as the result of
100 101 102 103 104	(1) For purposes of this part: (a) "Energy efficiency measures" is as defined in Section 63-9-67. (b) "Energy savings" means monies not expended by a state agency as the result of energy efficiency measures.
100 101 102 103 104 105	(1) For purposes of this part: (a) "Energy efficiency measures" is as defined in Section 63-9-67. (b) "Energy savings" means monies not expended by a state agency as the result of energy efficiency measures. (c) "State agency" is as defined in Section 63-9-67.
100 101 102 103 104 105 106	(1) For purposes of this part: (a) "Energy efficiency measures" is as defined in Section 63-9-67. (b) "Energy savings" means monies not expended by a state agency as the result of energy efficiency measures. (c) "State agency" is as defined in Section 63-9-67. (2) Except as provided under Subsection (4) and subject to future budget constraints,
100 101 102 103 104 105 106 107	(1) For purposes of this part: (a) "Energy efficiency measures" is as defined in Section 63-9-67. (b) "Energy savings" means monies not expended by a state agency as the result of energy efficiency measures. (c) "State agency" is as defined in Section 63-9-67. (2) Except as provided under Subsection (4) and subject to future budget constraints, the Legislature may not remove energy savings from a state agency's appropriation.
100 101 102 103 104 105 106 107 108	(1) For purposes of this part: (a) "Energy efficiency measures" is as defined in Section 63-9-67. (b) "Energy savings" means monies not expended by a state agency as the result of energy efficiency measures. (c) "State agency" is as defined in Section 63-9-67. (2) Except as provided under Subsection (4) and subject to future budget constraints, the Legislature may not remove energy savings from a state agency's appropriation. (3) A state agency shall use energy savings to:
100 101 102 103 104 105 106 107 108 109	(1) For purposes of this part: (a) "Energy efficiency measures" is as defined in Section 63-9-67. (b) "Energy savings" means monies not expended by a state agency as the result of energy efficiency measures. (c) "State agency" is as defined in Section 63-9-67. (2) Except as provided under Subsection (4) and subject to future budget constraints, the Legislature may not remove energy savings from a state agency's appropriation. (3) A state agency shall use energy savings to: (a) fund the cost of the energy efficiency measures; and
100 101 102 103 104 105 106 107 108 109 110	(1) For purposes of this part: (a) "Energy efficiency measures" is as defined in Section 63-9-67. (b) "Energy savings" means monies not expended by a state agency as the result of energy efficiency measures. (c) "State agency" is as defined in Section 63-9-67. (2) Except as provided under Subsection (4) and subject to future budget constraints, the Legislature may not remove energy savings from a state agency's appropriation. (3) A state agency shall use energy savings to: (a) fund the cost of the energy efficiency measures; and (b) if funds are available after meeting the requirements of Subsection (3)(a), fund and

Enrolled Copy H.B. 198

114	(b) no cost effective new energy efficiency measure is available for implementation.
115	(5) A state agency may consult with the State Building Energy Efficiency Program
116	manager in the Division of Facilities and Construction Management regarding:
117	(a) the cost effectiveness of energy efficiency measures; and
118	(b) ways to measure energy savings that take into account fluctuations in energy costs
119	and temperature.
120	Section 4. Section 63A-5-603 is enacted to read:
121	63A-5-603. State Facility Energy Efficiency Fund Contents Use of fund
122	monies.
123	(1) As used in this section:
124	(a) "Board" means the State Building Board.
125	(b) "Division" means the Division of Facilities Construction and Management.
126	(c) "Fund" means the State Facility Energy Efficiency Fund created by this section.
127	(2) There is created a revolving loan fund known as the "State Facility Energy
128	Efficiency Fund."
129	(3) To capitalize the fund, the Division of Finance shall, at the end of fiscal year
130	2007-08, transfer \$3,650,000 from the Stripper Well-Petroleum Violation Escrow Fund to the
131	<u>fund.</u>
132	(4) The fund shall consist of:
133	(a) monies transferred under Subsection (3);
134	(b) monies appropriated by the Legislature;
135	(c) monies received for the repayment of loans made from the fund; and
136	(d) interest earned on the fund.
137	(5) The board shall make a loan from the fund to a state agency to, wholly or in part,
138	finance energy efficiency measures.
139	(6) (a) (i) A state agency requesting a loan shall submit an application to the board in
140	the form and containing the information that the board requires, including plans and
141	specifications for the proposed energy efficiency measures.

H.B. 198 Enrolled Copy

142	(ii) A state agency may request a loan to fund all or part of the cost of energy efficiency
143	measures.
144	(b) If the board rejects the application, the board shall notify the applicant stating the
145	reasons for the rejection.
146	(7) (a) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
147	the board shall make rules establishing criteria to determine:
148	(i) loan eligibility;
149	(ii) energy efficiency measures priority; and
150	(iii) ways to measure energy savings that take into account fluctuations in energy costs
151	and temperature.
152	(b) In making rules that establish prioritization criteria for energy efficiency measures,
153	the board may consider:
154	(i) possible additional sources of revenue;
155	(ii) the feasibility and practicality of the energy efficiency measures;
156	(iii) the energy savings attributable to eligible energy efficiency measures;
157	(iv) the annual energy savings;
158	(v) the projected energy cost payback of eligible energy efficiency measures;
159	(vi) other benefits to the state attributable to eligible energy efficiency measures;
160	(vii) the availability of federal funds for the energy efficiency measures; and
161	(viii) whether to require a state agency to provide matching funds for the energy
162	efficiency measures.
163	(8) (a) In reviewing energy efficiency measures for possible funding, the board shall:
164	(i) review the loan application and the plans and specifications for the energy efficiency
165	measures;
166	(ii) determine whether to grant the loan by applying the loan eligibility criteria; and
167	(iii) if the loan is granted, prioritize funding of the energy efficiency measures by
168	applying the prioritization criteria.
169	(b) The board may condition approval of a loan application and the availability of funds

170	on assurances from the state agency that the board considers necessary to ensure that the state
171	agency:
172	(i) uses the proceeds to pay the cost of the energy efficiency measures; and
173	(ii) implements the energy efficiency measures.
174	(9) The State Building Energy Efficiency Program shall provide staff support when the
175	board performs the duties established in this section.

H.B. 198

Enrolled Copy