

March 1, 2001

H 389. ENERGY CONSERVATION FOR STATE BUILDINGS. *TO REQUIRE THAT PROJECTS FOR IMPROVEMENTS TO EXISTING FACILITIES FOR ENERGY EFFICIENCY RECEIVE THE HIGHEST LEVEL OF PRIORITY FOR USE OF FUNDS IN THE REPAIRS AND RENOVATIONS RESERVE ACCOUNT; TO ESTABLISH THE STATE FACILITIES ENERGY CONSERVATION PROGRAM; TO AUTHORIZE THE DEPARTMENT OF ADMINISTRATION TO ENTER INTO ALTERNATIVE FINANCING AGREEMENTS FOR THE PURCHASE OF ENERGY CONSERVATION PROJECTS; TO AUTHORIZE THE ISSUANCE OF BONDS THAT ARE SECURED BY AN INTEREST IN THE PROPERTY PURCHASED; AND TO ALLOW STATE DEPARTMENTS TO RETAIN YEAR-END REVERSIONS FOR A PERIOD OF FOUR YEARS TO IMPLEMENT OPERATION AND MAINTENANCE ENERGY CONSERVATION MEASURES.*

Provides that improvements to existing facilities for energy efficiency shall receive the highest priority for funds in the state Repairs and Renovations Reserve Account. Authorizes Dep't of Administration to finance energy conservation projects in state facilities through installment financing agreements or the issuance of bonds. Adds new GS Ch. 143, Art. 3B, creating the State Facilities Energy Conservation Program within the State Energy Office, Dep't of Administration. Requires Energy Office to select state facility energy conservation projects to participate in the Program. Selected projects must undergo technical analyses and be approved by the Energy Office before the projects commence. Only those projects that are economically practical and not projected to require more than six years for recoupment of energy cost savings may be implemented. The Jt. Legis. Comm'n on Governmental Operations must be notified before any project costing more than \$5,000 may commence. Creates Energy Technical Analysis Loan Fund, to be administered by the Energy Office and used to provide loans to state agencies participating in Program to pay for technical analyses. Requires Energy Office to report quarterly to Jt. Legis. Comm'n on Governmental Operations. Specifies that provisions relating to Program apply to all state facilities, including those in the UNC system and the state hospitals. Creates new GS Ch. 142, Art.8, the Energy Conservation Projects Finance Act. Authorizes state to incur up to \$30 million in special indebtedness for the purpose of financing energy conservation projects. Sets forth procedures and requirements for incurrence or issuance of special indebtedness. Provides that bonds issued under the Act are secured by an interest in the property purchased. Specifies that Act provides an additional and alternative method for procuring energy conservation projects, and does not derogate any existing powers. Authorizes state agencies to retain funds in the agencies' utilities budget code that ordinarily would revert at the end of the fiscal year for a period of four years, and requires that 80 percent of the retained funds be used for documented energy conservation projects. Limits amount that may be carried forward to two and one-half percent of an agency's General Fund appropriation. Effective July 1, 2001.

Intro. by Tolson.

Ref. to State Government	GS 142, 143
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