

**FINAL
FISCAL NOTE**

Drafting Number: LLS 12-0443
Prime Sponsor(s): Rep. Jones
 Sen. Bacon

Date: June 7, 2012
Bill Status: Postponed Indefinitely
Fiscal Analyst: Kori Donaldson (303-866-4976)

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: This bill was postponed indefinitely by the House Transportation Committee on February 22, 2012.		
Appropriation Summary for FY 2012-2013: None required.		
Local Government Impact: None.		

Summary of Legislation

****This fiscal note was written to strike-below amendment L.001, which was passed by the House Transportation Committee prior to the motion to postpone the bill indefinitely.****

Beginning July 1, 2012, this bill would have required 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 were directed to annually report utility usage data to the Office of the State Architect (OSA), within the Department of Personnel and Administration. Completed facilities and those under design or construction that are required — pursuant to current law — to be designed or built to high performance certification standards were strongly encouraged, but not required, to follow the provisions of the 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 operating 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 did not otherwise include the necessary metering equipment to monitor, track, and verify utility usage data, there could have been initial increased capital costs. However, this fiscal note anticipated that the initial increased capital costs would have been 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 assumed that any additional metering costs for future projects would have been 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 were 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 assumed that facilities built to high performance certification standards would have realized 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 would have experienced one-time costs to purchase the necessary software or program to track utility usage for any new facilities that were designed on or after July 1, 2012.

Departments Contacted

All Departments