

HB 2496 A STAFF MEASURE SUMMARY
House Committee On Energy and Environment

Carrier: Rep. Williams

Action Date: 04/09/19
Action: Do pass with amendments. (Printed A-Eng.)
Vote: 7-2-0-0
Yeas: 7 - Helm, Salinas, Schouten, Sollman, Wilde, Williams, Zika
Nays: 2 - Findley, Reschke
Fiscal: Fiscal impact issued
Revenue: No revenue impact
Prepared By: Misty Freeman, LPRO Analyst
Meeting Dates: 3/28, 4/4, 4/4, 4/9

WHAT THE MEASURE DOES:

Modifies green energy and energy efficiency standards applicable to public building projects to accommodate alternatives. Adds battery storage that is part of an on-site solar or geothermal energy system to the definition of "green energy technology." Lowers threshold from 20 to 10 percent reduction of energy use for passive solar energy building design to meet the definition of "green energy technology." Defines "total contract price" for the construction, reconstruction, or major renovation of a public building. Excludes direct costs of seismic retrofitting from "total contract price." Clarifies that "public building" does not include airports. Allows contracting agency to spend up to the 1.5 percent requirement on energy efficiency if green technology is determined to be inappropriate, and up to .75 percent otherwise, if an analysis shows the available total solar resource fraction is 75 percent or less; or on woody biomass energy technology if it creates new energy generation capacity, subject to other requirements. Modifies rules for expenditures on energy efficiency and woody biomass. Requires contracting agency to make a written determination whether green energy technology is appropriate. Requires determination to include analysis of total solar resource fraction available on site of solar energy installation to heat space or water. Allows same to be deemed appropriate if total solar resource fraction exceeds 75 percent. Requires contracting agency that determines green energy technology is not appropriate, that does not spend on energy efficiency or woody biomass in the alternative, to spend an amount equal to at least 1.5 percent of the contract price of a future project on green energy technology or energy efficiency or woody biomass, in addition to any other requirements for such expenditures. Authorizes contracting agencies to consolidate in one public building all or a substantial part of green energy technology that would otherwise be part of one or more public building projects if the total amount expended on green energy technology meets the requirements for all public buildings that are part of the project, and the project is otherwise compliant as specified. Becomes operative January 1, 2020. Authorizes rulemaking and other necessary action by Department of Energy and Department of Environmental Quality prior to operative date. Takes effect on 91st day following adjournment *sine die*.

ISSUES DISCUSSED:

- Requirement for 1.5 percent of the cost of public building construction, reconstruction, or renovation to be spent on green energy technology to power the building was first passed in 2007, with several updates since
- Battery storage, energy efficiency, and off-site energy generation as flexible options to meet requirements for expenditures on green energy technology
- Public buildings that generate their own energy increase emergency preparedness, resiliency
- Enforcement and compliance options

EFFECT OF AMENDMENT:

Removes requirement that the Department of Consumer and Business Services (DCBS) or a municipality verify compliance of contracting agencies and conduct specialty code plan review. Clarifies that "public building" does

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not include airports. Excludes direct costs of seismic retrofitting from "total contract price." Modifies rules for expenditures on energy efficiency and woody biomass. Allows contracting agency to expend up to the 1.5 percent requirement on energy efficiency if green technology is determined to be inappropriate, and up .75 percent otherwise, if the available total solar resource fraction is 75 percent or less; or on woody biomass energy technology if it creates new energy generation capacity, subject to other requirements. Replaces authority of contracting agency to pool resources or share costs with authority to consolidate in one public building all or a substantial part of green energy technology that would otherwise be included in the construction, reconstruction, or major renovation of one or more public buildings, if the total amount expended by the contracting agency meets the requirements for all public buildings that are part of the project, and the project is otherwise compliant.

BACKGROUND:

In 2007, the Legislative Assembly passed House Bill 2620 requiring all public building construction, reconstruction, or major renovation projects with costs exceeding 50 percent of the value of the building to expend at least 1.5 percent of the total contract price on solar technologies. Solar technologies include solar electric or solar thermal systems and may include passive solar, if it can achieve an energy consumption reduction of at least 20 percent. Additional legislation in 2012 and 2013 provided for geothermal electricity to satisfy the 1.5 percent requirement, renamed "green energy technology." Green energy technology is defined as a solar or geothermal energy system used directly for space or water heating or to generate electricity, or a building design that uses solar energy passively to reduce energy use from other sources by at least 20 percent. Contracting agencies may meet green energy technology requirements by using energy generated off-site to power or heat a public building, subject to certain conditions. Additional rules allowing geothermal energy resources to qualify as green energy technology were passed in 2015, and a measure authorizing woody biomass to be used as an alternative to green energy technology was passed in 2017.

House Bill 2496 A further refines the use of green energy technology in public buildings by adding battery storage that is part of an on-site solar or geothermal energy system to the definition of "green energy technology." It also lowers the threshold, from 20 to 10 percent reduction of energy use, for passive solar energy building designs to meet the definition of "green energy technology" and allows contracting agencies that determine green energy technology is not appropriate for a particular public building to use energy-efficient technologies, engineering, or design to meet green energy technology expenditure requirements.