

SENATE BILL NO. 119

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY SENATORS THOMAS, Ellis, Paskvan

Introduced: 2/20/09

Referred: Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to a state energy use reduction plan and energy efficiency improvement**
2 **contracts and to energy audits of public buildings conducted by the Department of**
3 **Transportation and Public Facilities; relating to agency capital budget requests;**
4 **establishing an energy efficiency grant fund in the Alaska Housing Finance**
5 **Corporation; and providing for an effective date."**

6 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
8 to read:

9 LEGISLATIVE INTENT. It is the intent of the legislature to

10 (1) reduce state expenditures for utility costs associated with inefficient
11 building structures and environmental systems;

12 (2) promote energy cost savings in municipalities, unincorporated
13 communities, and school districts;

1 (3) spur energy efficiency related jobs and industry in Alaska.

2 * **Sec. 2.** AS 18.56.090 is amended by adding a new subsection to read:

3 (f) The corporation shall make and administer grants from the energy
4 efficiency grant fund (AS 18.56.310).

5 * **Sec. 3.** AS 18.56 is amended by adding a new section to read:

6 **Sec. 18.56.310. Energy efficiency grant fund.** (a) An energy efficiency grant
7 fund is established in the corporation as a separate fund to provide grants for energy
8 efficiency projects.

9 (b) The corporation shall administer the energy efficiency grant fund as a fund
10 separate from other funds of the corporation. The energy efficiency grant fund consists
11 of money appropriated to the fund by the legislature to provide grants for energy
12 efficiency projects.

13 (c) The energy efficiency grant fund is not a dedicated fund.

14 (d) The corporation may provide grants from the energy efficiency grant fund
15 to

16 (1) municipalities and unincorporated communities for energy
17 efficiency improvements of municipal or unincorporated community buildings or to
18 enhance the energy efficiency of buildings to be constructed;

19 (2) school districts for energy efficiency improvements of schools or
20 other school district buildings or to enhance the energy efficiency of schools or other
21 school district buildings to be constructed; and

22 (3) the University of Alaska for energy efficiency improvements of
23 university buildings or to enhance the energy efficiency of university buildings to be
24 constructed.

25 (e) For a new construction project to qualify for a grant under this section, the
26 project must be designed and constructed in accordance with applicable standards
27 listed in the most recent edition of the International Energy Conservation Code or the
28 minimal standards listed in the Leadership in Energy and Environmental Design rating
29 system for a certified building.

30 (f) In awarding grants from the energy efficiency grant fund under this
31 section, the corporation shall give priority to projects that

- 1 (1) propose the highest level of energy savings for each dollar spent;
- 2 (2) have obtained funding for the project from sources other than state
- 3 sources;
- 4 (3) serve a municipality or unincorporated community with a
- 5 population of less than 15,000.
- 6 (g) The corporation shall adopt regulations necessary to carry out the
- 7 provisions of this section.

8 * **Sec. 4.** AS 22.05.025(a) is amended to read:

- 9 (a) The supreme court has authority over
- 10 (1) all matters relating to the
- 11 (A) maintenance, occupancy, and operation of all court
- 12 facilities;
- 13 (B) rent or lease of facilities for court system purposes, subject
- 14 to AS 36.30.080(c); and
- 15 (C) acquisition of facilities for court system purposes by lease-
- 16 purchase or lease-financing agreements, subject to AS 36.30.085; and
- 17 (2) the planning, design, and construction of court facilities but, in the
- 18 exercise of its authority under this paragraph, the supreme court shall cooperate and
- 19 coordinate with the Department of Transportation and Public Facilities so that court
- 20 facility construction projects are carried out in accordance with the statutes and
- 21 regulations applicable to state public works projects **and comply with the state**
- 22 **energy use reduction plan under AS 44.42.067.**

23 * **Sec. 5.** AS 37.07.062 is amended by adding a new subsection to read:

- 24 (d) In addition to the requirements of (a) of this section, if an agency is
- 25 requesting an appropriation of \$1,000,000 or more for capital improvements to an
- 26 existing public facility, the agency must submit with the request for review by the
- 27 legislature
- 28 (1) the most recent energy audit report as described in AS 44.42.065
- 29 for the public facility;
- 30 (2) a proposal for energy efficiency improvements for the public
- 31 facility; and

1 (3) a cost-savings analysis for the proposed energy efficiency
2 improvements for the public facility.

3 * **Sec. 6.** AS 44.42.065 is amended by adding a new subsection to read:

4 (d) The department shall submit to the legislature a report summarizing the
5 energy audits conducted under this section not later than one year after the completion
6 of an energy audit required under this section.

7 * **Sec. 7.** AS 44.42 is amended by adding a new section to read:

8 **Sec. 44.42.067. State energy use reduction plan and energy efficiency**
9 **improvements.** (a) The department shall prepare and adopt a state energy use
10 reduction plan that will allow the state to achieve a reduction of energy consumption
11 for state facilities, starting one year after the effective date of this section.

12 (b) The state energy use reduction plan prepared under (a) of this section must
13 contain

14 (1) a plan to improve, to the extent feasible, the energy efficiency of all
15 state facilities managed by the department;

16 (2) a requirement that new public facilities managed by the department
17 be designed and constructed in accordance with applicable standards listed in the most
18 recent addition of the International Energy Conservation Code; and

19 (3) a plan for recovery of costs of efficiency improvements to state
20 facilities managed by the department, including lighting projects, that start after the
21 effective date of this Act through energy cost savings over the 15-year period
22 following completion of the project.

23 (c) In implementing the plan, the department may waive a requirement listed
24 in (b)(2) of this section if the department makes a determination that a requirement is
25 ineffective or inappropriate due to the climate conditions of the state.

26 (d) In implementing the plan, the department shall, if cost-effective, consider
27 entering into performance energy contracts. In this subsection, "performance energy
28 contract" means a contract for which payment is conditional on achieving
29 contractually specified energy savings.

30 * **Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to
31 read:

1 ENERGY AUDIT REPORT. Not later than January 31, 2010, the Department of
2 Transportation and Public Facilities shall submit to the legislature a report summarizing the
3 information gathered and recommendations made by the department related to the
4 department's most recent energy audit conducted under AS 44.42.065.

5 * **Sec. 9.** Section 5 of this Act takes effect July 1, 2010.