SENATE FLOOR VERSION
March 29, 2012

ENGROSSED HOUSE
BILL NO. 2833 By: Martin (Scott) of the House

and

Bingman of the Senate

An Act relating to energy; creating the Oklahoma State Facilities Energy Conservation Program; defining terms; stating application of the Program; requiring the Director of the Office of State Finance to oversee the Program; providing for selection of a vendor; stating objectives and scope of the Program; directing state agencies to input historical utility cost data and make certain reports; requiring the Director to consider certain contracts; stating impact of compliance with the Program on certain contracts; authorizing the Director to develop a plan for state-wide performance-based efficiency contracts; repealing 27A O.S. 2011, Section 3-4-106, which relates to energy efficiency and conservation plans; providing for codification; providing an effective date; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-4-106.1 of Title 27A, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created the Oklahoma State Facilities Energy Conservation Program.

B. As used in this section:

1. “State agency” means any office, officer, bureau, board, commission, counsel, unit, division, body, authority or institution of the executive branch of state government, whether elected or appointed and shall include institutions within The Oklahoma State System of Higher Education and technology center school districts;

2. "State facilities" or "facilities" means buildings or assets owned or operated by a state agency which has a heating, ventilation, or air conditioning system or utility services;

3. "Program" means the Oklahoma State Facilities Energy Conservation Program;

4. "Director" means the Director of the Office of State Finance; and

5. “IPMVP” means the International Performance Measurement and Verification Protocol.

C. All state facilities shall be subject to the provisions of the Oklahoma State Facilities Energy Conservation Program. The Director of the Office of State Finance, or a designee selected by the Director, shall oversee the development and implementation of the Program, including the selection of the most qualified vendor or vendors by utilizing a request for proposal to contract for the development and implementation of an organizational behavior-based energy conservation program.

D. The objectives and scope of the Program and the request for proposal shall be to:

1. Promote a centralized effort to gather information pertaining to energy use in state facilities and designate knowledgeable personnel to prioritize projects and make recommendations for conservation implementation;

2. Benchmark state facilities energy usage prior to implementation of the Program and measure energy conservation savings utilizing commercially available energy accounting software that adheres to the IPMVP;

3. Target a cumulative energy savings of not less than twenty percent (20%) by the year 2020 when compared to the 2012 fiscal year utility expenditures. The express purpose of the targeted energy savings shall be to capitalize on opportunities for organizational behavior-based energy conservation efforts and existing equipment and building optimization while maintaining or improving the operational environment during times when facilities are occupied;

4. Provide an annual reconciliation of the costs versus the savings resulting from the Program as determined by the Director utilizing the selected energy accounting software;

5. Fully fund the Program within existing state agency budgets through savings generated by reducing energy costs;

6. Endeavor to utilize, when reasonably possible, existing personnel to implement the Program at state facilities, provided that compensation costs for additional personnel or additional compensation costs for existing personnel dedicated exclusively to

implementation of the Program shall be funded from the savings generated by the Program;

7. Include implementation of a formalized organizational behavior-based energy conservation program;

8. Evaluate existing facility energy accounting systems and determine if the existing systems or a commercially available energy accounting software program will be utilized to measure savings from the Program in a way that adheres to the IPMVP;

9. Seek to obtain ENERGY STAR recognition for facilities that comply with the necessary requirements as established by the United States Environmental Protection Agency;

10. Provide for an initial fee-free period of not less than twelve (12) months during which foundational elements of the Program are established and energy savings are generated before any fee payments are due to a selected vendor; and

11. Provide for free ongoing support from the vendor beyond the initial term of the Program, if the state substantially continues implementation of the Program.

E. Upon implementation of the Program, all state agencies shall input historical utility cost data into an IPMVP adherent energy accounting software database on a monthly basis and shall deliver an annual report on the progress and cost savings of the Program to the Director within ninety (90) days after the end of each fiscal year.

F. The Director shall consider any organizational behavior-based energy conservation programs under contract with a state agency prior to the effective date of this act and determine if the contract complies with the provisions of this section.

G. Compliance with the Program shall not prohibit any state agency from entering into a performance-based efficiency contract for capitol improvements pursuant to Section 318 of Title 62 of the Oklahoma Statutes. The Director is authorized to work with state agencies to develop a separate state-wide plan for capital improvements for performance-based efficiency contracts pursuant to the provisions of Section 318 of Title 62 of the Oklahoma Statutes.

SECTION 2. REPEALER 27A O.S. 2011, Section 3-4-106, is hereby repealed.

SECTION 3. This act shall become effective July 1, 2012.

SECTION 4. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

COMMITTEE REPORT BY: COMMITTEE ON GENERAL GOVERNMENT, dated 3-26-12 - DO PASS.