

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: July 2, 2008  
POSITION: Oppose

BILL NUMBER: AB 2916  
AUTHOR: F. Nunez

**BILL SUMMARY: State Buildings: Energy Efficiency Measures**

This bill would require the total amount of energy consumed in state-owned buildings be decreased by 20 percent of the total amount of energy consumed in 2008 by January 1, 2015. Additionally, this bill would require the inclusion of a description, including cost savings, of the way in which a proposal will achieve energy efficiency and conservation through changes in operations, maintenance and building infrastructure into the California Five-year Infrastructure Plan beginning in 2010 and require the California Energy Resources Conservation and Development Commission (CEC) to establish minimum standards for energy and resources efficiency guidelines.

**FISCAL SUMMARY**

The Department of Finance is unable to estimate the fiscal impact of this bill at this time. However, we note that this bill requires all existing state-owned buildings to meet the 20 percent reduction of 2008 energy levels by 2015 which could result in significant renovation cost to achieve this goal. Furthermore, this bill may increase workload Department of Finance staff to include the requested information during the development of the Five-year Infrastructure Plan, resulting in additional unknown cost.

**SUMMARY OF CHANGES**

Amendments to this bill since our analysis of the April 9, 2008 version do not alter our position. The changes include the deletion of the requirement that all buildings owned or leased by the state meet the United State's Green Building Council's Leadership in Energy and Environmental Design Gold standards by January 1, 2012 and the inclusion that the total amount of energy consumed in state-owned buildings, by January 1, 2015, be decreased by 20 percent of the total amount of energy consumed in 2008. Additional changes in this bill include adding a description, including cost savings, of the way in which a proposal will achieve energy efficiency and conservation through changes in operations, maintenance and building infrastructure into the California Five-year Infrastructure Plan beginning in 2010 and establishing a minimum standards for energy and resources efficiency guidelines created by CEC.

**COMMENTS**

The Department of Finance opposes this bill because this bill requires reduction in energy consumption based on 2008 usage regardless of prior operational and structural changes aimed at energy conservation and regardless of feasibility. Some buildings, because of their age and construction type, cannot be renovated to meet these standards.

Existing law requires that all public buildings are to be designed, constructed and equipped with all efficiency measures, materials and devices that are feasible and cost effective. Additionally, existing law requires the Governor to annually submit a proposed Five-Year infrastructure plan to the Legislature that indentifies proposed infrastructure required by the state.

(Continued)

**COMMENTS** (continued)

This bill does the following:

- Requires the California Five-year Infrastructure Plan to include a description, including cost savings, of the way in which a proposal will achieve energy efficiency and conservation through changes in

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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

**BILL ANALYSIS** Form DF-43 (Rev 03/95 Buff)

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**BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)**  
**AUTHOR** **AMENDMENT DATE**

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operations, maintenance and building infrastructure beginning in 2010. Currently, the Five-year infrastructure plan does not include minor renovations or projects not needing capital outlay.

- Requires CEC to establish minimum standards for energy and resources efficiency guidelines for all buildings that are state-owned or leased.
- Requires the total amount of energy consumed in state-owned buildings, by January 1, 2015, be decreased by 20 percent of the total amount of energy consumed in 2008.

Executive Order S-20-04 commits the State of California to aggressively reduce state building electricity usage by retrofitting and operating state facilities in the most energy and resource efficient manner. This executive order establishes a target of reducing grid-based energy purchases for state-owned buildings by 20 percent by 2015 and requires the design, construction, and operation of all new and renovated state-owned facilities to meet LEED Silver certification

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2007-2008	FC	2008-2009	FC	2009-2010	
9990/Var Depts	SO	No		-----	See Fiscal Summary	-----			0001