

**LEGISLATIVE EDUCATION STUDY COMMITTEE  
BILL ANALYSIS**

**Bill Number: SB 200**

**49th Legislature, 2nd Session, 2010**

**Tracking Number: .180239.6**

**Short Title: Public Building Energy Efficiency Standards**

**Sponsor(s): Senator Carlos R. Cisneros**

**Analyst: Peter B. van Moorsel**

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**Bill Summary:**

SB 200 creates a new section of law providing for energy efficiency standards for public buildings. Among its provisions, SB 200:

- makes definitions;
- requires that a new building, selected building addition, or selected building renovation that is financed to any extent with legislative appropriations of state General Fund revenues, severance tax bond proceeds, supplemental severance tax bond proceeds, or state general obligation bond proceeds shall be designed and constructed to:
  - achieve a minimum delivered energy performance standard of 50 percent or less of the national average energy consumption for that type of building as shown in the latest edition of the Buildings Energy Data Book, published by the Office of Energy Efficiency and Renewable Energy of the United States Department of Energy, or, if the buildings energy data book is no longer published, as shown in an alternative source specified by rule of the Energy, Minerals and Natural Resources Department (EMNRD); and
  - attain the energy star qualification of the United States Environmental Protection Agency (EPA), or an alternative, equivalent standard specified by EMNRD rule.

SB 200 further requires building owners, in assisting meeting the energy consumption goals established above, to:

- evaluate the cost-effectiveness of alternate designs in order to identify the most energy efficient design that is cost-effective for the life cycle of the owner's building; and
- track building energy consumption, cost data, and greenhouse gas emissions annually using the EPA's portfolio manager or an equivalent interactive energy management tool approved by EMNRD.

SB 200 requires EMNRD to promulgate rules necessary to carry out the provisions of the bill, provided that rules relating to public school facilities must be promulgated in conjunction with the Public School Facilities Authority (PSFA). The bill further requires the building to submit to EMNRD, and EMNRD to review, documentation to demonstrate the accomplishment of the energy reduction requirements of this section, including the following information:

- an energy savings goal that the building owner shall determine by one of the following methods:
  - EPA’s interactive target finder for the applicable type of building;
  - if the type of building is not included in the target finder, using the public buildings energy consumption survey data, produced by the US Energy Information Administration, as a baseline and multiplying the baseline by 50 percent; or
  - for a facility with multiple building types, a goal for each building type shall be determined separately and combined to determine the overall energy goal for the facility;
- an energy model certified by a building’s design engineer of record that shall be used to verify that the building is designed to achieve the energy consumption goal;
- a survey of energy efficiency upon completion of the new building, selected building addition or selected building renovation; and
- energy consumption and cost data, as calculated pursuant to the EPA’s portfolio manager or an equivalent approved interactive energy management tool.

Finally, SB 200 provides that bill’s provisions do not apply to a new building, a selected building addition or a selected building renovation:

- for which the initial legislative appropriation is made prior to January 1, 2011;
- for which, in EMNRD’s opinion, substantial design expenditures have been made prior to July 1, 2010;
- if the department determines that the costs of compliance with the requirements of this section would exceed the estimated life-cycle savings of the building, addition or renovation; or
- a selected building addition to an existing building or a selected building renovation to an existing building if the existing building is listed in the State Register of Cultural Properties of the National Register of Historic Places.

**Fiscal Impact:**

SB 200 does not make an appropriation.

According to EMNRD, SB 200 has no direct impact to the General Fund.

The department states in its analysis of SB 200 that many green building practices can be designed and implemented with little or no additional cost; however, in some situations, particularly in a renovation, reducing energy consumption may increase the project cost. EMNRD adds that the projects’ cost-effectiveness would mean that these measures should provide savings that at least offset the increased initial cost, and lower operating and maintenance costs over the projected life of the building.

PSFA adds that the comprehensive fiscal impact of SB 200 is difficult to determine without additional analysis of:

- agency resource capacity to implement and monitor impacted future building projects; and

- the capacity of building owners for data collection and entry into an interactive energy management tool.

### **Fiscal Issues:**

According to the analysis of SB 200 prepared by the General Services Department (GSD), the New Mexico entities using SHARE spent \$14.8 million to heat, cool and power their buildings in FY 09 (this total excludes university, public school, county and municipal buildings).

The GSD bill analysis further states that building and remodeling to higher energy efficiency standards may public entities to lower their recurring energy expenses, and may also reduce their exposure to rising energy costs.

### **Background:**

According to the US Environmental Protection Agency (EPA), in the United States, buildings account for:

- 39 percent of total energy use;
- 12 percent of the total water consumption;
- 68 percent of total electricity consumption; and
- 38 percent of the carbon dioxide emissions.

Also according to the EPA, green or sustainable buildings are designed to reduce the overall impact of the built environment on human health and the natural environment by:

- efficiently using energy, water, and other resources;
- protecting occupant health and improving employee productivity; and
- reducing waste, pollution, and environmental degradation.

The EPA reports that the potential environmental and economic benefits of green building can include:

- enhanced and protected biodiversity and ecosystems;
- improved air and water quality;
- reduced operating costs;
- improved occupant productivity; and
- optimized life-cycle economic performance.

The EPA further states that green or sustainable construction methods can be integrated into buildings at any stage, from design and construction, to renovation and deconstruction. The EPA adds, however, that the most significant benefits can be obtained if the design and construction team takes an integrated approach from the earliest stages of a building project.

### **Related Bill(s):**

SB 84 *New School Sustainability Features*