



*Synopsis of Senate Committee Amendments**

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Legislative Service Commission

Sub. H.B. 251

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(S. Energy & Public Utilities)

Energy efficiency and conservation in state purchasing and facilities

Removes public schools from the House passed requirement that any state agency, department, division, bureau, office, unit, board, commission, authority, quasi-governmental entity, or institution, and any public school, conduct (1) a life-cycle cost analysis and an energy consumption analysis to construct a facility of 5,000 square feet or more, and (2) an energy consumption analysis to lease a facility of 20,000 square feet or more.

Regarding the Department of Administration's Office of Energy Services' (OES) rule-making authority to assist in reducing the energy consumption of state-funded facilities and promoting certain state benefits, provides that new rules must be promulgated rather than adopted and removes the provision under which new rules must be adopted within 90 days of the bill's effective date.

Removes the provision that the OES's rules require an energy efficiency design standard for heating, refrigeration, and air conditioning systems, components, and equipment in state funded facilities (except higher ed facilities) that is 20% above the American Society of Heating, Refrigerating, and Air-Conditioning Engineers Handbook standard.

Makes permissive the requirement, that a life-cycle cost analysis (1) in determining the reasonably expected costs of a facility, express those costs as an annual cost for each year of the facility's use, (2) demonstrate how each design contributes to energy efficiency and conservation, and (3) include an energy consumption analysis.

Regarding the requirement that the OES's rules specify that a life-cycle or energy consumption analysis be based on the best current methods of analysis, including those of specified federal agencies, professional societies, and directions developed by the Department of Administrative Services (DAS), provides that the methods can, but do not

* This synopsis does not address amendments that may have been adopted on the Senate floor.

have to, include those of specified federal agencies, professional societies, and directions developed by DAS.

Regarding allowing a state-funded facility's project manager to apply for a waiver of compliance with the rules, removes the requirement that the waiver document how the facility will exceed the rules' standards and removes the 30-day notification requirement and automatic approval unless the OES sends denial to the applicant.

Regarding the requirement that the OES's rules include that, not later than two years after the bill's effective date, each state-funded facility (except a higher ed facility) be managed by a certified building operator, removes the provision that states that this requirement does not preclude a certified building operator from managing more than one state-funded facility.

Regarding the OES's requirement to adopt rules to ensure that energy efficiency and conservation will be considered in the state purchasing of products and equipment, provides that the rules must be promulgated rather than adopted and makes permissive instead of mandatory the establishment of minimum energy efficiency standards based on federal testing and labeling, where available, or on standards developed by the OES for purchased products and equipment.

Removes the requirement that the OES conduct studies on potential savings of the state purchase of motor vehicles and major energy consuming items.

Regarding rules promulgated by OES concerning fleet average fuel economy of passenger automobiles, requires the rules to be *in accordance with* certain federal fuel economy standards instead of *not less stringent than* those standards.

Removes the requirement that the DAS Director review the current operation of OES within 60 days after the bill's effective date to ensure sufficient performance of its duties.

Removes *full* from the requirement that the DAS Director assign such employees, equipment, and supplies to the OES as necessary for the full performance of its duties.

Removes the provision that required a competitive bidder to provide DAS with sufficient energy efficiency or usage information and include information regarding whether the bidder's product or service meets federal agency guidelines.

Removes the provision that provided that, after applying a preference for domestic products, DAS also must give preference to lowest responsive and responsible bidders whose product or service meets federal agency efficiency guidelines.

Allows DAS to recover reasonable costs of administering energy efficiency and conservation programs from state agencies.



Requires \$3.6 million in FY 2007 to be transferred from Fund 5M5 to the Administrative Building Fund (Fund 026) to incorporate energy efficiency into the design and construction of state buildings.

State institutions of higher education energy efficiency and conservation

Adds the secretary of the Ohio Association of Community Colleges to the chairperson of the Interuniversity Council of Ohio as the persons responsible for assisting in coordinating the organization and operation of a committee comprised of the presidents of the state institutions of higher education or their designees to develop energy efficiency and conservation guidelines for campus buildings.

Regarding the development of guidelines for ensuring energy efficiency and conservation in higher education buildings, requires that initial guidelines be adopted within 90 days after the bill's effective date (rather than March 31, 2006) and requires the guidelines to include a goal of reducing on- and off-campus building energy *consumption*, instead of energy *expenditures*, by at least 20% by 2014.

Advanced Energy Program

Changes the Energy Efficiency Revolving Loan Program in the Department of Development into the Advanced Energy Program for the purposes of providing advanced energy or economic development financial assistance.

Transfers the name, purpose, and appropriations of the current Energy Efficiency Revolving Loan Fund (Fund 5M5) to the newly created Advanced Energy Fund.

Leaves unadjusted the current appropriation of \$12 million in FY 2007 in Fund 5M5 and makes no new earmarks from this Fund.

Provides that an "advanced energy project" must include technologies, products, activities, or management practices or strategies that facilitate the generation or use of electricity and that reduce or support the reduction of energy consumption or support the production of clean, renewable energy for consumers.

For the purpose of funding the advanced energy program, adds to the continuing Energy Efficiency Revolving Loan Fund revenues, interest earnings on the Advanced Energy Fund.

Modifies the revenue remittance schedule for each electric distribution utility in Ohio and each participating electric cooperative and municipal electric utility to require payment of the revenues to the state within 30 days after the end of each calendar quarter.

States that participation by an electric cooperative or municipal utility in the Energy Efficiency Revolving Loan Fund does not constitute a decision to participate in the Advanced Energy Fund.

Requires the Director of Development, before granting assistance, to determine that an advanced energy project will create new jobs or preserve existing jobs in Ohio or use innovative technologies or materials.

Removes the existing express authority to make or provide assistance through approved lending institutions, and eliminates a requirement that the total of grants provided in a fiscal year cannot exceed 10% of the revenues paid into the fund the previous fiscal year.

Retains the current program requirements, that the Director may acquire property, make and enter into all necessary contracts and agreements, retain necessary employees or agents, adopt applicable rules, and do all things necessary for the operation of the Program, and specifies that the Director can award grants, contracts, loans, loan participation agreements, linked deposits, and energy production incentives to further the public interest in advanced energy projects and economic development.

Allows the Director to hold ownership of any unclaimed energy efficiency and renewable energy emission allowances that result from advanced energy projects that receive funding from the Advanced Energy Fund.

Expresses that the changes regarding the Advanced Energy Fund do not affect any pending or effected assistance, purchases, or contracts in existence prior to the bill's effective date under the Energy Efficiency Revolving Loan Program.

Specifies that any assistance a school district receives for an advanced energy project, including a geothermal heating, ventilating, and air conditioning (HVAC) system, is to be in addition to any assistance provided under the Ohio School Facilities Commission Law and cannot be included as part of the district or state portion of the basic project cost under that Law.

Provides that advanced energy and economic development assistance granted under the program is to be made in furtherance of the program's purposes.

Modifies the existing purposes of the program to provide that improvement in economic welfare is to occur by reducing energy costs and reducing energy usage in a cost-efficient manner using, as determined by the Director, both the most appropriate national, federal, or other standards for products and the best practices for the use of technology, products, or services in the context of a total facility or building.

Restates the existing purpose of the program concerning pollution, to provide that the program can assist in the lowering of energy demand to reduce air, water, or thermal pollution.

Provides that the provisions relating to the newly created Advanced Energy Fund take effect immediately when the bill becomes law.

Other provisions

Requires the state vehicle fleet to use at least one million gallons of "blended biodiesel," instead of "biodiesel," per calendar year by January 1, 2007.

Increases the limit on the rate of assessment that may be charged to oil or natural gas producers to fund an oil and natural gas marketing program by providing that the rate cannot exceed 5¢ rather than 1¢ per gross barrel of oil and 1¢ rather than 1/10¢ per thousand cubic feet of natural gas.

For the purposes of the natural gas pipeline safety standards, modifies the definition of "gas" to make it consistent with federal law and to mean natural gas, flammable gas, or gas which is toxic or corrosive.

Requires the Ohio School Facilities Commission to issue a report comparing the U.S. Green Building Council's "LEED for Schools" Rating System to applicable provisions in its Ohio School Design Manual.

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