



# House of Representatives

General Assembly

**File No. 100**

January Session, 2003

Substitute House Bill No. 6484

*House of Representatives, March 31, 2003*

The Committee on Program Review and Investigations reported through REP. WASSERMAN of the 106th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

**AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE  
PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE  
CONCERNING ENERGY MANAGEMENT BY STATE GOVERNMENT.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 16a-37u of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2003*):

3 (a) The Secretary of the Office of Policy and Management shall be  
4 responsible for planning and managing energy use in state-owned and  
5 leased buildings and shall establish a program to maximize the  
6 efficiency with which energy is utilized in such buildings. [He] The  
7 secretary shall exercise this authority by (1) preparing and  
8 implementing annual and long-range plans, with timetables,  
9 establishing goals for reducing state energy consumption and, based  
10 on energy audits, specific objectives for state agencies to meet the  
11 performance standards adopted under section 16a-38, as amended by

12 this act; (2) coordinating federal and state energy conservation  
13 resources and activities, including but not limited to, those required to  
14 be performed by other state agencies under this chapter; and (3)  
15 monitoring energy use and costs by budgeted state agencies on a  
16 monthly basis.

17 (b) Not later than January fifth, annually, the Secretary of the Office  
18 of Policy and Management shall submit a report to the Governor and  
19 the joint standing committee of the General Assembly having  
20 cognizance of matters relating to energy planning and activities. The  
21 report shall (1) indicate the total number of energy audits and technical  
22 assistance audits of state-owned and leased buildings, (2) summarize  
23 the status of the energy conservation measures recommended by such  
24 audits, (3) summarize all energy conservation measures implemented  
25 during the preceding twelve months in state-owned and leased  
26 buildings which have not had such audits, (4) analyze the availability  
27 and allocation of funds to implement the measures recommended  
28 under subdivision (2) of this subsection, (5) list each budgeted agency,  
29 as defined in section 4-69, which occupies a state-owned or leased  
30 building and has not cooperated with the Commissioner of Public  
31 Works and the Secretary of the Office of Policy and Management in  
32 conducting energy and technical assistance audits of such building and  
33 implementing operational and maintenance improvements  
34 recommended by such audits and any other energy conservation  
35 measures required for such building by the secretary, (6) summarize  
36 all life-cycle cost analyses prepared under section 16a-38, as amended  
37 by this act, during the preceding twelve months, and summarize  
38 agency compliance with the life-cycle cost analyses, and (7) identify  
39 any state laws, regulations or procedures that impede innovative  
40 energy conservation and load management projects in state buildings.

41 (c) The Secretary of the Office of Policy and Management, in  
42 conjunction with the Department of Public Works, shall as soon as  
43 practicable and where cost-effective connect all state-owned buildings  
44 to a district heating and cooling system, where such heating and  
45 cooling system currently exists or where one is proposed. The

46 secretary, in conjunction with the Department of Public Works, shall  
47 prepare an annual report with the results of [his] the progress in  
48 connecting state-owned buildings to such a heating and cooling  
49 system, the cost of such connection and any projected energy savings  
50 achieved through any such connection. The secretary shall submit [his]  
51 the report to the joint standing committee of the General Assembly  
52 having cognizance of matters relating to energy on or before January 1,  
53 1993, and January first annually thereafter.

54 (d) The Secretary of the Office of Policy and Management shall  
55 require each state agency to maximize its use of public service  
56 companies' energy conservation and load management programs and  
57 to provide sites in its facilities for demonstration projects of highly  
58 energy efficient equipment, provided such demonstration project does  
59 not impair the functioning of the facility.

60 Sec. 2. Section 4-73 of the general statutes is repealed and the  
61 following is substituted in lieu thereof (*Effective October 1, 2003*):

62 (a) Part II of the budget document shall present in detail for each  
63 fiscal year of the ensuing biennium the Governor's recommendation  
64 for appropriations to meet the expenditure needs of the state from the  
65 General Fund and from all special and agency funds classified by  
66 budgeted agencies and showing for each budgeted agency and its  
67 subdivisions: (1) A narrative summary describing the agency, the  
68 Governor's recommendations for appropriations for the agency and a  
69 list of agency programs, the actual expenditure for the last-completed  
70 fiscal year, the estimated expenditure for the current fiscal year, the  
71 amount requested by the agency and the Governor's recommendations  
72 for appropriations for each fiscal year of the ensuing biennium; (2) a  
73 summary of permanent full-time positions by fund, setting forth the  
74 number filled and the number vacant as of the end of the last-  
75 completed fiscal year, the total number intended to be funded by  
76 appropriations without reduction for turnover for the fiscal year in  
77 progress, the total number requested and the total number  
78 recommended for each fiscal year of the biennium to which the budget

79 relates.

80 (b) In addition, programs shall be supported by: (1) The statutory  
81 authorization for the program; (2) a statement of program objectives;  
82 (3) a description of the program, including a statement of need,  
83 eligibility requirements and any intergovernmental participation in the  
84 program; (4) a statement of performance measures by which the  
85 accomplishments toward the program objectives can be assessed,  
86 which shall include, but not be limited to, an analysis of the workload,  
87 quality or level of service and effectiveness of the program; (5)  
88 program budget data broken down by major object of expenditure,  
89 showing additional federal and private funds; (6) a summary of  
90 permanent full-time positions by fund, setting forth the number filled  
91 and the number vacant as of the end of the last-completed fiscal year,  
92 the total number intended to be funded by appropriations without  
93 reduction for turnover for the fiscal year in progress, the total number  
94 requested and the total number recommended for each fiscal year of  
95 the biennium to which the budget relates; (7) a statement of  
96 expenditures for the last-completed and current fiscal years, the  
97 agency request and the Governor's recommendation for each fiscal  
98 year of the ensuing biennium and, for any new or expanded program,  
99 estimated expenditure requirements for the fiscal year next succeeding  
100 the biennium to which the budget relates; and (8) an explanation of  
101 any significant program changes requested by the agency or  
102 recommended by the Governor.

103 (c) (1) There shall be a supporting schedule of total agency  
104 expenditures including a line-item, minor object breakdown of  
105 personal services, energy costs, contractual services and commodities  
106 and a total of state aid grants and equipment, showing the actual  
107 expenditures for the last-completed fiscal year, estimated expenditures  
108 for the current fiscal year and requested and recommended  
109 appropriations for each fiscal year of the ensuing biennium, classified  
110 by objects according to a standard plan of classification.

111 (2) In addition, the supporting schedule of agency energy costs shall

112 be supported by a statement of the agency's plans for energy  
113 conservation in each fiscal year of the ensuing biennium, and a  
114 statement of the progress the agency has made in the last-completed  
115 fiscal year concerning energy conservation.

116 (d) All federal funds expended or anticipated for any purpose shall  
117 be accounted for in the budget. The document shall set forth a listing  
118 of federal programs, showing the actual expenditures for the last-  
119 completed fiscal year, estimated expenditures for the current fiscal  
120 year and anticipated funds available for expenditure for each fiscal  
121 year of the ensuing biennium. Such federal funds shall be classified by  
122 program in each budgeted agency but shall not include research grants  
123 made to educational institutions.

124 (e) Part II of the budget document shall also set forth the budget  
125 recommendations for the capital program, to be supported by  
126 statements listing the agency's requests and the Governor's  
127 recommendations with the statements required by section 4-78.

128 (f) The appropriations recommended for the legislative branch of  
129 the state government shall be the estimates of expenditure  
130 requirements transmitted to the Secretary of the Office of Policy and  
131 Management by the Joint Committee on Legislative Management  
132 pursuant to section 4-77 and the recommended adjustments and  
133 revisions of such estimates shall be the recommended adjustments and  
134 revisions, if any, transmitted by said committee pursuant to said  
135 section 4-77.

136 Sec. 3. (*Effective from passage*) Not later than December 15, 2003, the  
137 Secretary of the Office of Policy and Management shall require a report  
138 from each state agency concerning the methods available to the agency  
139 to reduce energy costs and the feasibility of implementing said  
140 methods. Not later than January 15, 2004, the secretary shall schedule a  
141 public hearing on the reports and shall invite the members of the joint  
142 standing committees of the General Assembly having cognizance of  
143 matters relating to appropriations and energy and technology and the  
144 Legislative Program Review and Investigations Committee.

145       Sec. 4. (*Effective from passage*) The Connecticut Energy Advisory  
 146 Board shall study and determine which state agency it believes should  
 147 have responsibility for oversight of the state's energy policy. Not later  
 148 than January 15, 2004, the board shall complete a report on its findings  
 149 and recommendations and shall submit the report to the joint standing  
 150 committee of the General Assembly having cognizance of matters  
 151 relating to energy in accordance with section 11-4a of the general  
 152 statutes.

153       Sec. 5. (*Effective from passage*) Not later than July 1, 2004, the Office of  
 154 Policy and Management and the Department of Public Works shall  
 155 establish a pilot program under which the state selects an existing state  
 156 facility or complex of facilities to be covered by an energy performance  
 157 contract with a private vendor. The agencies that participate in the  
 158 pilot program shall submit reports on the results of the program to the  
 159 joint standing committees of the General Assembly having cognizance  
 160 of matters relating to appropriations and energy and technology in  
 161 accordance with section 11-4a of the general statutes. Such reports  
 162 shall be submitted not later than three months after the effective date  
 163 of the contract and annually thereafter until the final report is  
 164 submitted not later than three months after the termination of the  
 165 contract.

This act shall take effect as follows:	
Section 1	<i>October 1, 2003</i>
Sec. 2	<i>October 1, 2003</i>
Sec. 3	<i>from passage</i>
Sec. 4	<i>from passage</i>
Sec. 5	<i>from passage</i>

**PRI**       *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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**OFA Fiscal Note**

**State Impact:**

<b>Agency Affected</b>	<b>Fund-Type</b>	<b>FY 04 \$</b>	<b>FY 05 \$</b>
All	GF - None	None	None
Pub. Works, Dept.	GF - None	None	None
Policy & Mgmt., Off.	GF - None	None	None
Policy & Mgmt., Off.	Cost	Less than \$2,000	None

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill requires agencies to report to the Office of Policy and Management (OPM) on methods available to reduce energy costs and the feasibility of implementing these methods. It is anticipated that agencies can perform this responsibility as part of its normal operations, and will result in no fiscal impact.

The bill requires the Connecticut Energy Advisory Board (CEAB) to study which agency should have oversight of the state’s energy policy and report such findings and recommendations to the Energy and Technology Committee. Under current law, the CEAB consists of 16 members and for administrative purposes only is in OPM. Pursuant to CGS 16a-3(c), non-salaried, members of the CEAB receive \$50 per diem compensation for board meetings. To the extent that conducting a study will require additional meetings of the board, there may be a potential minimal cost to OPM. Additionally, OPM provides staff support to the CEAB. It is anticipated that OPM will use currently existing personnel and resources to assist in performing the study. It is assumed that OPM will not use any consultants to conduct the study, however if consultants are used an indeterminate fiscal impact may

result.

The bill requires OPM and the Department of Public Works (DPW) to establish a pilot program under which an existing state facility is covered by an energy performance contract with a private vendor, and report such findings to the General Assembly. Implementing the pilot program mandated by the bill will have no fiscal impact on DPW because the agency will use currently existing staff and resources to establish the program. It is not anticipated that the energy performance contract will result in any state cost because such contracts stipulate that the cost of the improvements are paid for through reduced energy usage.

Finally, the bill requires the governor's budget to include certain energy related information and schedules, which will result in no fiscal impact to the Office of Policy and Management which prepares the budget.

**OLR Bill Analysis**

sHB 6484

**AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE CONCERNING ENERGY MANAGEMENT BY STATE GOVERNMENT****SUMMARY:**

This bill requires the governor's budget to include a line-item breakdown of energy costs for each state agency. It requires the schedule of agency energy costs to be supported by a statement of the agency's (1) plans for energy conservation in each year of the biennium and (2) progress in the last fiscal year with regard to energy conservation.

The bill requires the Connecticut Energy Advisory Board (CEAB) to study which agency should have oversight of the state's energy policy. CEAB must report its findings and recommendations to the Energy and Technology Committee by January 15, 2004.

The bill expands an Office of Policy and Management (OPM) energy conservation reporting requirement and gives the agency additional responsibilities with regard to energy.

**EFFECTIVE DATE:** October 1, 2003 for the budget and OPM reporting requirements, upon passage for the remaining provisions.

**OPM RESPONSIBILITIES**

By law, agencies must perform life-cycle cost analyses for large buildings built, substantially renovated, or funded by the state. The analysis calculates the capital costs of heating and other building energy systems and the building's energy costs over its useful life. The bill requires OPM to include information on agency compliance with these requirements as part of an energy report it must submit to the governor and the Energy and Technology Committee by January 5 annually.

Under the bill, OPM must require each state agency to report by

December 15, 2003 on methods available to it to reduce energy costs and the feasibility of implementing these methods. By January 15, 2004, OPM must schedule a public hearing on the reports and invite the Appropriations, Energy and Technology, and Program Review and Investigations committees to the hearing.

The bill requires OPM and the Department of Public Works to establish a pilot program by July 1, 2004 in which the state selects one or more existing state facilities to be subject to an energy performance contract with a private vendor. The participating agencies must report the results of the program to the Appropriations and Energy and Technology committees. The first report must be submitted within three months after the contracts go into effect and annually thereafter. The final report must be submitted within three months after the contract is terminated.

## **BACKGROUND**

### ***Related Bill***

HB 6508 "An Act Concerning Long-Term Planning for Energy Facilities," reported favorably by the Energy and Technology Committee, expands CEAB's responsibilities to include energy planning and evaluating alternative solutions to the state's energy infrastructure needs.

## **COMMITTEE ACTION**

Program Review and Investigations Committee

Joint Favorable Substitute

Yea 11      Nay 0