

Senate Bill 448

Sponsored by COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires State Department of Energy by rule to guide authorized state agencies in design, construction and renovation of state-owned major facilities in order to meet specified standards and criteria.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to high performance building standards; creating new provisions; amending ORS 276.905;
3 and declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 276.905, as amended by section 2, chapter 26, Oregon Laws 2008, is amended
6 to read:

7 276.905. As used in ORS 276.900 to 276.915, unless the context requires otherwise:

8 (1) "Alternative energy system" means an environmentally sound energy system that uses power
9 derived from renewable resources including, but not limited to, the sun, wind, geothermal sources
10 and heat recovery.

11 (2) "Authorized state agency" means a state agency, board, commission, department or division
12 that is authorized to finance the construction, purchase or renovation of a facility that is or will
13 be used by the State of Oregon.

14 (3) "Cost-effective" means that an energy resource, facility or conservation measure during its
15 life cycle results in delivered power costs to the ultimate consumer no greater than the comparable
16 incremental cost of the least cost alternative new energy resource, facility or conservation measure.

17 Cost comparison shall include, but need not be limited to:

18 (a) Cost escalations and future availability of fuels;

19 (b) Waste disposal and decommissioning costs;

20 (c) Transmission and distribution costs;

21 (d) Geographic, climatic and other differences in the state; and

22 (e) Environmental impact.

23 (4) "Energy conservation measure" means a measure primarily designed to reduce the use of
24 energy resources in a facility.

25 (5) "Energy consumption analysis" means the evaluation of all energy systems and components
26 by demand and type of energy including the internal energy load imposed on a major facility by its
27 occupants, equipment and components and the external energy load imposed on a major facility by
28 the climatic conditions of its location. "Energy consumption analysis" includes, but is not limited
29 to:

30 (a) The comparison of a range of alternatives that is likely to include all reasonable, cost-

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 effective energy conservation measures and alternative energy systems;

2 (b) The simulation of each system over the entire range of operation of a major facility for a
3 year's operating period;

4 (c) The evaluation of energy consumption of component equipment in each system considering
5 the operation of such components at other than full or rated outputs; and

6 (d) The consideration of alternative energy systems.

7 (6) "Energy savings performance contract" has the meaning given that term in ORS 279A.010.

8 (7) "Energy systems" means all utilities, including but not limited to heating, cooling, venti-
9 lation, lighting and the supply of domestic hot water.

10 (8) "Facility" means a building or other structure owned or controlled by an authorized state
11 agency that is used or occupied by employees of the authorized state agency or that is used for
12 conducting public business.

13 **(9) "High performance building certification program" means a program that uses as-
14 sessment criteria, methods of implementation and a rating system to encourage building
15 practices that meet specified sustainability and environmental protection goals.**

16 [(9)] (10)(a) "Major facility" means a facility that has 10,000 square feet or more of usable floor
17 space.

18 **(b) "Major facility" does not include a project for affordable housing or a housing devel-
19 opment or residential housing, as those terms are defined in ORS 456.548.**

20 [(10)] (11) "Renovation" means an addition to, alteration of or repair of a facility that adds to
21 or alters the facility's energy systems, provided that the affected energy systems account for 50
22 percent or more of the facility's total energy use.

23 **SECTION 2. Section 3 of this 2009 Act is added to and made a part of ORS 276.900 to
24 276.915.**

25 **SECTION 3. (1) The State Department of Energy by rule shall set guidelines for the de-
26 sign, construction and renovation of major facilities to meet high performance building
27 standards and criteria. The rules must:**

28 **(a) Set building practice criteria that meet or exceed the requirements set forth in ORS
29 276.915 for incorporating all reasonable cost-effective energy conservation measures and al-
30 ternative energy systems and for conducting an energy consumption analysis.**

31 **(b) Adopt current, quantifiable, measurable and verifiable standards and criteria that an
32 independent certifying organization uses in a high performance building certification pro-
33 gram. The standards and criteria must:**

34 **(A) Develop out of a process of consensus among representatives of building design,
35 construction and renovation businesses;**

36 **(B) Guide the implementation of energy conservation measures and sustainable design
37 for various types of buildings;**

38 **(C) Reduce life cycle costs for major facilities by reducing energy, water and other re-
39 source consumption; and**

40 **(D) Specify methods for:**

41 **(i) Recovering initial capital costs incurred in complying with the standards and criteria
42 described in this subsection by reducing long-term energy, maintenance and operating costs;
43 and**

44 **(ii) Improving indoor environmental quality in major facilities.**

45 **(c) Encourage the use of all products harvested, mined or made in Oregon, without ref-**

1 erence to the product's certification status.

2 (d) Require authorized state agencies to meet state environmental protection goals in
3 designing, constructing or renovating major facilities.

4 (e) Require authorized state agencies to design, construct or renovate major facilities so
5 as to meet the most stringent standards and criteria adopted under paragraph (b) of this
6 subsection that can be justified under a life cycle cost analysis that weighs the initial cost
7 of the design, construction or renovation and the costs associated with meeting standards
8 and criteria set forth in a high performance building certification program against projected
9 savings that result from decreased operational expenses over a life cycle of 20 years.

10 (f) Require authorized state agencies to apply for certification by an independent certi-
11 fying organization described in paragraph (b) of this subsection for major facilities the au-
12 thorized state agencies design, construct or renovate. The rules shall require authorized
13 state agencies to apply for certification at the most stringent level that can be justified as
14 provided in paragraph (e) of this subsection.

15 (2) The department shall amend the department's rules as necessary to maintain and
16 update the standards and criteria described in subsection (1) of this section to meet current
17 standards and criteria promulgated by the independent certifying organization identified un-
18 der subsection (1)(b) of this section.

19 (3)(a) An authorized state agency that does not meet the standards and criteria described
20 in subsection (1) of this section shall provide a statement to the department that:

21 (A) Is verified by a licensed or accredited professional the department recognizes as au-
22 thoritative; and

23 (B) States that the authorized state agency used all reasonable cost-effective standards
24 and criteria in the design, construction or renovation of the major facility.

25 (b) The department shall accept the statement provided under paragraph (a) of this sub-
26 section if the authorized state agency did not meet the standards and criteria because:

27 (A) The life cycle analysis did not justify meeting applicable standards and criteria; or

28 (B) The major facility is a historic building subject to historic preservation goals.

29 (4) Authorized state agencies shall incorporate as many of the standards and criteria
30 described in subsection (1) of this section in the design, construction or renovation of facili-
31 ties other than major facilities as are reasonable and cost-effective for those facilities.

32 **SECTION 4.** (1) Section 3 of this 2009 Act and the amendments to ORS 276.905 by section
33 1 of this 2009 Act become operative January 1, 2010.

34 (2) The Director of the State Department of Energy may take any action before January
35 1, 2010, that is necessary to enable the director to exercise, on and after January 1, 2010, all
36 the duties, functions and powers conferred on the director by section 3 of this 2009 Act and
37 the amendments to ORS 276.905 by section 1 of this 2009 Act.

38 **SECTION 5.** Section 3 of this 2009 Act and the amendments to ORS 276.905 by section 1
39 of this 2009 Act apply to contracts first solicited or advertised or, if not solicited or adver-
40 tised, entered into on or after January 1, 2010.

41 **SECTION 6.** This 2009 Act being necessary for the immediate preservation of the public
42 peace, health and safety, an emergency is declared to exist, and this 2009 Act takes effect
43 on its passage.