

# HOUSE BILL 662

P2

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By: **Chair, Health and Government Operations Committee (By Request – Departmental – General Services)**

Introduced and read first time: January 29, 2020

Assigned to: Health and Government Operations

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Committee Report: Favorable

House action: Adopted

Read second time: March 7, 2020

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Department of General Services – Energy Consumption Goals and Energy**  
3 **Performance Contracts**

4 FOR the purpose of repealing a requirement that the Department of General Services  
5 cooperate with the Maryland Energy Administration when projecting certain costs  
6 and performing a certain analysis during a certain phase of the renovation or  
7 construction of certain buildings; repealing a requirement that the Department  
8 cooperate with the Administration in setting standards for certain energy  
9 performance indices; requiring the Department, in cooperation with the  
10 Administration, to assist State agencies in reducing by a certain date the average  
11 energy consumption of State buildings by a certain percentage; repealing a  
12 requirement that State agencies conduct a certain analysis of gas and electricity  
13 consumption and cost of certain buildings; repealing a requirement that State  
14 agencies update and file certain energy conservation plans; requiring the  
15 Department each year to conduct an energy efficiency analysis of State buildings and  
16 conduct an energy audit of at least a certain square footage of the least  
17 energy-efficient State buildings; specifying the contents of a certain energy audit;  
18 requiring the Department to provide a copy of the energy audit to certain persons;  
19 requiring certain units to implement certain measures identified in a certain energy  
20 audit to a certain extent; requiring the Department, for a certain time following the  
21 implementation of certain measures, to monitor a certain unit's energy usage, track  
22 certain changes resulting from the measures, and calculate certain savings;  
23 requiring the Department to establish and maintain a certain Comprehensive Utility  
24 Records Management Database for a certain purpose; requiring certain units to

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 make certain data available to the Department each month; requiring each unit to  
2 implement projects and initiatives to conserve energy and reduce energy  
3 consumption; requiring certain State agencies to collaborate on designing and  
4 implementing certain energy savings initiatives; requiring certain requests for  
5 proposals, beginning on a certain date, to include provisions promoting the State's  
6 energy efficiency goals; requiring the Department, with the advice and assistance of  
7 the Administration, to report to the Governor each year regarding the State's  
8 progress toward meeting a certain energy consumption goal; requiring a unit to  
9 consult with the Department during the development phase of a certain project;  
10 requiring a unit that is pursuing an energy performance contract to receive final  
11 approval from the Department before submitting the proposed contract to the Board  
12 of Public Works for approval; requiring a unit that has entered into an energy  
13 performance contract to submit certain required reports to the Department each  
14 year; defining a certain term; and generally relating to energy performance contracts  
15 and State energy efficiency goals.

16 BY repealing and reenacting, with amendments,  
17 Article – State Finance and Procurement  
18 Section 4–803, 4–806, 12–301(a), and 12–302  
19 Annotated Code of Maryland  
20 (2015 Replacement Volume and 2019 Supplement)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
22 That the Laws of Maryland read as follows:

### 23 **Article – State Finance and Procurement**

24 4–803.

25 (a) To save both cost and energy, the Department[, in cooperation with the  
26 Maryland Energy Administration,] shall project life–cycle costs and perform an energy  
27 consumption analysis during the preliminary design phase of the construction or  
28 renovation of any building.

29 (b) Each construction appropriation shall require a State agency, including a  
30 district school board, to obtain a projection of life–cycle costs and an energy consumption  
31 analysis from the Department.

32 4–806.

33 (a) So that it can audit and evaluate competing design proposals, the  
34 Department[, in cooperation with the Maryland Energy Administration,] shall set  
35 standards for energy performance indices.

36 (b) As experience develops on the energy performance achieved in State buildings,  
37 the energy performance indices will serve as a measure of building performance with  
38 respect to energy consumption.

1 (c) The Department, in cooperation with the Maryland Energy Administration,  
2 shall [set energy performance standards that require the average energy consumption in  
3 State buildings be reduced from the level in 2005 as follows:

4 (1) 5% by 2009; and

5 (2) 10% by 2010] **ASSIST STATE AGENCIES IN REDUCING, BY 2029, THE**  
6 **AVERAGE ENERGY CONSUMPTION IN STATE BUILDINGS BY 10% FROM THE LEVEL IN**  
7 **FISCAL YEAR 2018.**

8 [(d) (1) (i) Except as provided in subsection (f) of this section, by December  
9 31, 2007, each State agency shall conduct an analysis on each of the buildings under its  
10 jurisdiction of its gas and electric consumption and the cost of this consumption under the  
11 direction of the Maryland Energy Administration and in coordination with the Department  
12 of General Services.

13 (ii) The analysis required in subparagraph (i) of this paragraph shall  
14 include an examination of methods to achieve energy and costs savings, including:

- 15 1. the installation of more efficient lighting systems,  
16 including relamping;
- 17 2. the installation of more efficient heating and cooling  
18 systems;
- 19 3. the installation of water conservation devices;
- 20 4. weatherization; and
- 21 5. modification of lighting, heating, and cooling practices  
22 such as turning off lights when not in use and better thermostatic controls.

23 (2) (i) By July 1, 2008, each State agency shall upgrade its energy  
24 conservation plan developed in consultation with the Maryland Energy Administration and  
25 the Department of General Services to achieve the energy performance standards set under  
26 subsection (c) of this section.

27 (ii) The plan required under subparagraph (i) of this paragraph shall  
28 include provisions for the training of State personnel, including management and  
29 maintenance personnel, in conservation practices that reduce the consumption of energy  
30 and assist the agency in achieving the standards set under subsection (c) of this section.

31 (iii) In the development and implementation of the provisions of  
32 subparagraph (ii) of this paragraph, each agency shall consider alternative financing  
33 opportunities in shared savings and performance contracting as administered by the  
34 Maryland Energy Administration and include an analysis of the payback and cost

1 advantage to the State of shared savings and performance contracting.

2 (e) (1) All plans developed in accordance with subsection (d) of this section  
3 shall be filed with the Maryland Energy Administration.

4 (2) The Maryland Energy Administration, in coordination with the  
5 Department of General Services, shall review and analyze these plans and submit to the  
6 Governor the plans and proposals to implement the plans.

7 (f) (1) Except as provided in paragraph (2) of this subsection, this section does  
8 not apply to a building under the jurisdiction of the Department of Transportation.

9 (2) The Department of Transportation shall comply with the requirements  
10 of this section for any office building under its jurisdiction, if the building contains:

11 (i) the Department's headquarters; or

12 (ii) the administrative offices of a Modal Administration in the  
13 Department of Transportation.]

14 **(D) EACH YEAR, THE DEPARTMENT SHALL:**

15 **(1) ANALYZE ALL STATE-OWNED BUILDINGS TO IDENTIFY WHICH**  
16 **BUILDINGS ARE THE LEAST ENERGY-EFFICIENT; AND**

17 **(2) CONDUCT AN ENERGY AUDIT OF AT LEAST 2,000,000 SQUARE**  
18 **FEET OF THE LEAST ENERGY-EFFICIENT STATE-OWNED BUILDINGS.**

19 **(E) THE ENERGY AUDIT SHALL IDENTIFY LOW-COST MEASURES FOR**  
20 **INCREASING ENERGY EFFICIENCY THAT, OVER THE FOLLOWING 5 YEARS, WILL**  
21 **RESULT IN ENERGY COST SAVINGS THAT MEET OR EXCEED THE COSTS OF THE**  
22 **MEASURES.**

23 **(F) THE DEPARTMENT SHALL PROVIDE A COPY OF THE ENERGY AUDIT TO**  
24 **THE HEAD OF EACH UNIT OF STATE GOVERNMENT THAT OCCUPIES THE SPACES**  
25 **AUDITED.**

26 **(G) EACH UNIT OF STATE GOVERNMENT THAT OCCUPIES THE SPACE**  
27 **AUDITED SHALL IMPLEMENT THE MEASURES IDENTIFIED IN THE ENERGY AUDIT TO**  
28 **THE FULLEST EXTENT PRACTICABLE.**

29 **(H) FOR 1 YEAR FOLLOWING THE IMPLEMENTATION OF THE MEASURES**  
30 **IDENTIFIED IN THE ENERGY AUDIT, THE DEPARTMENT SHALL:**

31 **(1) MONITOR THE UNIT'S ENERGY USE;**

1           **(2) TRACK ANY CHANGES RESULTING FROM THE MEASURES; AND**

2           **(3) CALCULATE ANY SAVINGS ON ENERGY COSTS.**

3           **(I) (1) IN THIS SUBSECTION, "DATABASE" MEANS THE COMPREHENSIVE**  
4 **UTILITY RECORDS MANAGEMENT DATABASE.**

5           **(2) THE DEPARTMENT SHALL ESTABLISH AND MAINTAIN THE**  
6 **COMPREHENSIVE UTILITY RECORDS MANAGEMENT DATABASE FOR THE PURPOSE**  
7 **OF TRACKING THE CHANGES IN ENERGY CONSUMPTION RESULTING FROM THE**  
8 **IMPLEMENTATION OF THE MEASURES IDENTIFIED IN THE ENERGY AUDIT.**

9           **(3) THE DEPARTMENT SHALL COLLECT THE DATA AND INFORMATION**  
10 **NECESSARY TO FULLY POPULATE, UPDATE, AND MAINTAIN THE DATABASE.**

11           **(4) EACH MONTH, EACH UNIT OF STATE GOVERNMENT SHALL MAKE**  
12 **AVAILABLE TO THE DEPARTMENT ALL AVAILABLE DATA ABOUT ITS FACILITIES AND**  
13 **COPIES OF THE UNIT'S UTILITY BILLS.**

14           **(J) EACH UNIT OF STATE GOVERNMENT SHALL, IN SUPPORT OF THE UNIT'S**  
15 **CORE MISSIONS, IMPLEMENT PROJECTS AND INITIATIVES TO CONSERVE ENERGY**  
16 **AND REDUCE ENERGY CONSUMPTION.**

17           **(K) THE DEPARTMENT, THE MARYLAND ENERGY ADMINISTRATION, THE**  
18 **DEPARTMENT OF BUDGET AND MANAGEMENT, AND THE DEPARTMENT OF**  
19 **INFORMATION TECHNOLOGY SHALL COLLABORATE ON DESIGNING AND**  
20 **IMPLEMENTING OTHER COST-EFFECTIVE AND ENERGY-EFFICIENT SAVINGS**  
21 **INITIATIVES.**

22           **(L) BEGINNING JULY 1, 2020, PROVISIONS PROMOTING THE STATE'S**  
23 **ENERGY EFFICIENCY GOALS SHALL BE INCLUDED IN REQUESTS FOR PROPOSALS**  
24 **THAT:**

25           **(1) ARE FOR THE LEASING OF SPACE TO THE STATE; AND**

26           **(2) WOULD OBLIGATE THE STATE TO PAY THE UTILITY BILLS FOR THE**  
27 **LEASED SPACE.**

28           **(M) EACH FISCAL YEAR, WITH THE ADVICE AND ASSISTANCE OF THE**  
29 **MARYLAND ENERGY ADMINISTRATION, THE DEPARTMENT SHALL REPORT TO THE**  
30 **GOVERNOR ON THE STATE'S PROGRESS TOWARD ACHIEVING THE GOAL OF**  
31 **REDUCING ENERGY CONSUMPTION IN STATE BUILDINGS BY 10%.**

1 12-301.

2 (a) (1) (I) A UNIT SHALL CONSULT WITH THE DEPARTMENT OF  
3 GENERAL SERVICES DURING THE DEVELOPMENT PHASE OF A PROJECT THAT WILL  
4 REQUIRE AN ENERGY PERFORMANCE CONTRACT.

5 (II) Before issuing a request for proposals for an energy performance  
6 contract, a unit shall consult with the Department of General Services and the Chief  
7 Procurement Officer.

8 (2) The Department of General Services shall review the proposed request  
9 to ensure that it meets with the State energy [standards,] STANDARDS AND preserves the  
10 State's flexibility to investigate and use economically justifiable new technologies[, and is  
11 in conformance with the unit's energy conservation plan that has been developed in  
12 accordance with § 4-806 of this article].

13 (3) A UNIT PURSUING AN ENERGY CONTRACT MUST RECEIVE FINAL  
14 APPROVAL FROM THE DEPARTMENT OF GENERAL SERVICES BEFORE SUBMITTING  
15 THE PROPOSED CONTRACT TO THE BOARD OF PUBLIC WORKS FOR APPROVAL.

16 12-302.

17 (A) The Department of General Services shall be responsible for monitoring the  
18 status of active energy performance contracts and reporting that status to the Board  
19 annually.

20 (B) A UNIT THAT HAS ENTERED INTO AN ENERGY PERFORMANCE CONTRACT  
21 SHALL SUBMIT TO THE DEPARTMENT OF GENERAL SERVICES FOR REVIEW ANY  
22 REQUIRED ANNUAL MEASUREMENT AND VERIFICATION REPORTS.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
24 1, 2020.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.