

## Department of Planning and Budget 2024 Session Fiscal Impact Statement

**1. Bill Number:** SB79S1

**House of Origin**     Introduced     Substitute     Engrossed  
**Second House**     In Committee     Substitute     Enrolled

**2. Patron:** Favola

**3. Committee:** Finance and Appropriations

**4. Title:** Infrastructure for renewable energy systems for certain gov't bldgs.; net-zero energy consumption bldg. design for schools.

**5. Summary:** Requires any executive branch agency or institution and any locality entering the design phase for the construction of a new building greater than 5,000 gross square feet in size, or the renovation of a building where the cost of the renovation exceeds 50 percent of the value of the building, to ensure that such building includes infrastructure for renewable energy systems. The provisions of this bill only apply to projects entering the design phase on or after January 1, 2025.

**6. Budget Amendment Necessary:** No

**7. Fiscal Impact Estimates:** Preliminary, indeterminate—see item 8

**8. Fiscal Implications:** Due to variability in roof sizes, each agency's capital project workload, and the timing of capital project schedules, fiscal impacts to executive branch agencies and institutions are currently indeterminate. The provision mandating a solar-ready, cool, or energy-efficient roof extends to construction of new buildings greater than 5000 square feet and buildings with renovation costs that exceed 50 percent of the building's value.

The bill amends the High Performance Building Act, which is under the Department of General Services' (DGS) chapter in the Code of Virginia. DGS would be the agency responsible for implementing the provisions of this bill. Previously, the introduced version of the bill mandated solar roofing, as well as the purchase of necessary installation equipment for the solar roof. The substitute version is less definite in its mandate and requires all executive branch agencies and institutions to have infrastructure for renewable energy systems. As renewable energy systems can encompass a broad range of potential costs, the fiscal impact from the amended provision is indeterminate.

Agencies are allowed to petition the Director of the Department for an exemption from the provisions of the bill. Considering agencies may not be able to afford the front-end costs of the solar-ready roofing or the associated installation equipment, the Department expects an increase in exemption requests and an increase in costs from processing those exemption requests. The fiscal impact from the increase in exemption requests is indeterminate.

The substitute version of the bill calls for the Department of Energy to convene a workgroup. Fiscal impact estimates for the Department of Energy are not yet available.

**9. Specific Agency or Political Subdivisions Affected:** Department of General Services, executive branch agencies, institutions of higher education, Department of Energy

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None