

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Governmental Oversight and Accountability

BILL: SB 338

INTRODUCER: Senator Rodriguez

SUBJECT: Energy Efficiency Savings in State Agencies

DATE: January 17, 2020

REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|---------------|----------------|------------|------------------|
| 1. | <u>Ponder</u> | <u>McVaney</u> | <u>GO</u> | Favorable |
| 2. | _____ | _____ | <u>AEG</u> | _____ |
| 3. | _____ | _____ | <u>AP</u> | _____ |

I. Summary:

SB 338 amends s. 255.257, F.S., to revise the energy consumption and cost information each state agency is required to provide to the Department of Management Services to include state transportation fleets. The bill also provides that the state energy management plan must include recommendations for state agencies to use new technology to reduce energy usage by transitioning, retrofitting, or replacing government-owned and government-leased facilities and transportation fleets.

The bill requires the Department of Management Services, in consultation with the Department of Agriculture and Consumer Services, to develop a formula to determine the savings generated by implementing the state energy management plan and to use the calculated value of such savings to encourage and fund other energy efficiency and climate change resiliency efforts within the state.

The bill takes effect on July 1, 2020.

II. Present Situation:

In 2008, the Legislature passed a comprehensive energy package,¹ which contained the Florida Energy Conservation and Sustainable Buildings Act (ss. 255.251-255.2575, F.S.) (the Act). The Act provides that:

Operating and maintenance expenditures associated with energy equipment and with energy consumed in state-financed and leased buildings represent a significant cost over the life of the building. Energy conserved by appropriate

¹ Chapter 2008-227, L.O.F.

building design not only reduces the demand for energy but also reduces costs for building operation.²

Section 255.252(4), F.S., provides that it is the policy of the state “to operate and maintain state facilities in a manner that minimizes energy consumption and maximizes building sustainability and to operate facilities leased by the state so as to minimize energy use.”

Section 255.257, F.S., requires each state agency to collect data related to energy consumption and cost for (i) all state-owned facilities and (ii) metered state-leased facilities. Each agency must report the collected data annually to the Department of Management Services (DMS). These data are used in the “computation of the effectiveness of the state energy management plan and the effectiveness of the energy management program of each of the state agencies.”³

The state energy management plan (SEMP) is required to include a description of actions that state agencies shall take to reduce consumption of electricity and nonrenewable energy sources used for space heating and cooling, ventilation, lighting, water heating, and transportation.⁴ Additionally, the SEMP is required to contain the following elements:

- Data-gathering requirements;
- Building energy audit procedures;
- Uniform data analysis procedures;
- Employee energy education program measures;
- Energy consumption reduction techniques;
- Training program for state agency energy management coordinators; and
- Guidelines for building managers.⁵

The most recent report issued by the DMS summarizing SEMP submissions from Florida’s 21 state agencies states that (i) Florida’s agencies own facilities encompassing approximately 46 million gross square feet of space; and (ii) that the combined annual energy consumption is approximately 3.8 billion kBTU (thousand British thermal units), at a combined annual costs of approximately \$113 million.⁶

Based on current state term contracts, DMS reports that the lowest vendor quote of a gas vehicle versus a similar energy efficient model to be as follows:

- 2020 Ford Fusion (4dr Sdn S FWD (POG)) = \$17,106.
- 2020 Ford Fusion (4dr Sdn SE Hybrid FWD (POL)) = \$23,395.⁷
- 2020 Nissan Leaf (S Hatchback (17010)) = \$26,166⁸

² Section 255.252(1), F.S.

³ Section 255.257(1), F.S.

⁴ Section 255.257(3), F.S.

⁵ *Id.*

⁶ See *State Energy Management Plan Annual Summary Report Fiscal Year 2017-18*, available at https://www.dms.myflorida.com/content/download/144726/966212/SEMP_FY2017-18_FINAL.pdf (last visited October 22, 2019).

⁷ There is not an all electric version of the Fusion.

⁸ Email from Andrew Forst, Deputy Director of Legislative Affairs, Department of Management Services (December 12, 2019)(on file with the Senate Committee on Governmental Oversight and Accountability).

Additionally, DMS notes that all-electric vehicles have limited use due to their restricted range and a lack of infrastructure (charging stations) around the state.

III. Effect of Proposed Changes:

Section 1 amends s. 225.257, F.S., to add information on state transportation fleets to the energy consumption and cost information each state agency is required to provide to the DMS.

This section further requires the SEMP to include recommendations for state agencies to use new technology to reduce energy usage by transitioning, retrofitting, or replacing government-owned and government-leased facilities and transportation fleets (the “recommendations”).

Additionally, the bill requires the DMS, in consultation with the Department of Agriculture and Consumer Services, to develop a formula to determine the savings to this state’s taxpayers through the implementation of the SEMP and the recommendations. The DMS is further required to use the calculated value of such savings to encourage and fund other energy efficiency and climate change resiliency efforts within this state.

Section 2 provides that the act shall take effect on July 1, 2020.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Not applicable. The bill does not require counties or municipalities to take action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, nor reduce the percentage of state tax shared with counties or municipalities.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

The bill does not impose, authorize, or raise a state tax or fee.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

This bill does not impact state or local taxes or fees.

B. Private Sector Impact:

None.

C. Government Sector Impact:

It is likely that state agencies will incur some minimal costs in the collection of data related to energy consumption and costs for state transportation fleets.

VI. Technical Deficiencies:

The bill does not include cost considerations outside of the “energy consumption” context such as those related to the initial costs, operation, and maintenance of transportation fleet vehicles. This may be something to consider adding to the bill’s requirements.

The bill provides that the calculated value of savings (from the implementation of the SEMP and recommendations for energy reducing technology) shall “fund other energy efficiency and climate change resiliency efforts.” The bill does not provide direction or a framework for how the funding of these efforts shall operate. Additionally, the bill lacks a definition for “other efficiency and climate change resiliency efforts.”

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends 255.257 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.