SUBSTITUTE HOUSE BILL 1715

State of Washington 69th Legislature 2025 Regular Session

 $\mathbf{B}\mathbf{y}$ House Environment & Energy (originally sponsored by Representative Dye)

READ FIRST TIME 02/21/25.

- 1 AN ACT Relating to a review of the costs of compliance with the
- 2 state energy performance standard; adding a new section to chapter
- 3 19.27A RCW; and providing an expiration date.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 <u>NEW SECTION.</u> **Sec. 1.** A new section is added to chapter 19.27A 6 RCW to read as follows:
- 7 (1) The joint legislative audit and review committee shall review 8 and report on the costs to state agencies to comply with the state 9 energy performance standard established in this chapter. For this 10 review and report, the joint legislative audit and review committee 11 shall build off of the work done for the financial analysis in the 12 clean buildings work group November 2024 report to the legislature.
- 13 (2) For a sample of covered buildings owned by state agencies,
- 14 the committee must:
- 15 (a) Compile state expenditures for complying with the standard. 16 Expenditures must be broken out and sorted by:
- 17 (i) Fiscal year, beginning in fiscal year 2020;
- 18 (ii) Source of the funds, whether state or nonstate funds;
- 19 (iii) Amounts spent on capital upgrades; and

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1 (iv) Amounts spent on energy management and benchmarking 2 including, but not limited to, energy audits, energy management 3 planning, and operations and maintenance programs;

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- (b) For the sample of buildings analyzed in this subsection, include the following:
- (i) The anticipated timeline over which any capital investments will be cost-effective in that they will equal operating savings;
- (ii) The estimated costs that would have been incurred in the absence of a state energy performance standard, such as the costs of replacing obsolete equipment and standard maintenance; and
- (iii) A quantification of energy savings from the expenditures, as determined by the committee. This quantification may include the average energy efficiency gains or average energy cost savings over a sample of expenditures;
- (c) Estimate the number of jobs created as a result of expenditures for work on capital upgrades and energy management and benchmarking for the sample of state-owned buildings;
- (d) Analyze trends of completed energy audits based on: (i) Reported or average ages of the covered buildings; (ii) covered building type, by category; and (iii) an estimate of the projected costs of required capital upgrades required to come into compliance with the standard; and
- 23 (e) Identify sources of potential state, federal, and local funding available to implement the required capital upgrades.
 - (3) Building type categories for the purposes of the analysis required under subsection (2) of this section must be determined by the committee. Examples of building type categories may include, but are not limited to, office buildings, higher education buildings, K-12 schools, correctional facilities, and other buildings in the state's portfolio.
- 31 (4) When selecting the sample of buildings, the committee must 32 include: Buildings from the east and west side of the state, 33 buildings representing a broad selection of building type categories.
 - (5) The department of commerce must provide all relevant data to the committee for the purposes of completing the interim and final reports.
- 37 (6) The joint legislative audit and review committee must submit 38 a final report to the appropriate policy and fiscal committees of the 39 legislature by June 30, 2027.

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1 (7) This section expires January 1, 2029.

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