



**RULE-MAKING ORDER**  
(RCW 34.05.360)

**CR-103** (10/1/89)

Agency: Washington State Energy Office

- Permanent Rule  
 Emergency Rule

(1) Date of adoption: December 19, 1991

(2) Purpose:

Implements the provisions of section 12, chapter 201, laws of 1991

(3) Citation of existing rules affected by this order:

Repealed:

Amended:

Suspended:

(4) Authority for adoption:

Statute: RCW 43.21F.045 (12)

Other Authority: Section 12, chapter 201, laws of 1991

(5.1) **PERMANENT RULE ONLY**

Pursuant to notice filed as WSR 91-22-098 on November 6, 1991 (date).

Describe any changes other than editing from proposed to adopted version:

See enclosed attachment

(5.2) **EMERGENCY RULE ONLY**

Pursuant to RCW 34.05.350 the agency for good cause finds:

- (a) That immediate adoption, amendment, or repeal of a rule is necessary for the preservation of the public health, safety, or general welfare, and that observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the public interest.
- (b) That state or federal law or federal rule or a federal deadline for state receipt of federal funds requires immediate adoption of a rule.

Reasons for this finding:

(5.3) Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?

Yes  No If yes, explain:

(6) Effective date of rule:

**Permanent Rules**

**Emergency Rules**

- 31 days after filing  
 Other (specify) \_\_\_\_\_ \*
- Immediately  
 Later (specify) \_\_\_\_\_

\* (If less than 31 days after filing, specific finding in 5.3 under RCW 34.05.380(3) is required)

**CODE REVISER USE ONLY**

CODE REVISER'S OFFICE  
STATE OF WASHINGTON  
FILED

DEC 19 1991

TIME: 8:35 PM  
WSR: 92-01-120

NAME (TYPE OR PRINT)

David W. Sjoding

SIGNATURE

*David W. Sjoding*

Assistant Director,  
Administration & Finance

DATE

12/19/91

## **Chapter 194-20 WAC**

### **Energy Efficiency Services Account**

#### **Changes to OTS-5682:2**

#### **WAC 194-20-020 DEFINITIONS.**

(3) "Life cycle cost analysis (LCCA)" means the method of economic analysis which accounts for the initial cost and the cost of operation of a major facility or its systems over its economic life. (see RCW 39.35.030(7).) Chapter 39.35 RCW that an LCCA be prepared prior to construction or alteration of a publicly owned or leased facility having twenty five thousand square feet or more of usable floor space.

(4) "Energy conservation report (ECR)" means the report in which LCCA's are performed for schools, funded in part by the Washington superintendent of public instruction and reviewed by WSEO. The contents of the report and the submission procedures are outlined in the WSEO publication, "Guidelines for Preparing Energy Conservation Reports".

#### **WAC 194-20-060 NET REVENUE FROM TRANSACTIONS FOR CONSERVATION.**

Last paragraph (should read)

Net revenue received under the authority of this section shall be deposited in a single subaccount if those projects have been identified by the superintendent of public instruction as having received state support from the common school construction fund.

## Chapter 194-20 WAC

## ENERGY EFFICIENCY SERVICES ACCOUNT

NEW SECTION

WAC 194-20-010 PURPOSE. This chapter implements the provisions of section 12 and related sections of chapter 201, Laws of 1991, establishing criteria and procedures for setting a fee schedule, establishing working capital requirements, and receiving funds for the energy efficiency services account.

NEW SECTION

WAC 194-20-020 DEFINITIONS. (1) "WSEO" means the Washington state energy office.

(2) "Energy partnerships" means the energy efficiency program that emerges from chapter 201, Laws of 1991, the mission of which is the fulfillment of the requirements of that legislation: To achieve cost-effective conservation in state and school district facilities and to pursue development of cost-effective cogeneration in existing and/or new state facilities.

(3) "Life cycle cost analysis (LCCA)" means the method of economic analysis which accounts for the initial cost and the cost of operation of a major facility or its systems over its economic life. (See RCW 39.35.030(7).) Chapter 39.35 RCW requires that an LCCA be prepared prior to construction or alteration of a publicly owned or leased facility having twenty-five thousand square feet or more of usable floor space.

(4) "Energy conservation report (ECR)" means the report in which LCCA's are performed for schools, funded in part by the Washington superintendent of public instruction and reviewed by WSEO. The contents of the report and the submission procedures are outlined in the WSEO publication, "Guidelines for Preparing Energy Conservation Reports."

(5) "School building energy characteristics report (SBEC)" means the conservation report which communicates compliance with the governing energy code, required for smaller projects not affected by WAC 180-27-075.

(6) "Energy efficiency project" means a project which reduces energy consumption or energy cost, or increases the efficient use of energy. It includes activities, measures, and/or equipment designed to achieve these results.

(7) "Cogeneration project" means a project which results in the sequential generation of two or more forms of energy from a common fuel or energy source.

NEW SECTION

WAC 194-20-030 CRITERIA AND PROCEDURES FOR SETTING FEES. The WSEO will charge fees sufficient to recover the cost of providing services to state agencies and school districts which undertake energy efficiency or cogeneration projects under the energy partnerships program. Recoverable costs include, but are not limited to all necessary

costs of providing services directly to client institutions, of monitoring and implementing utility agreements when utilities elect to offer designated services, and of monitoring agreements with private consultants who provide energy partnerships services. WSEO's fees are based on hourly rates and the billable hours of service providers, and shall include all technical and program costs, and associated administrative costs. Fees are negotiated between WSEO and the institution being served, except for fees to review LCCA's and ECR's.

#### NEW SECTION

WAC 194-20-040 LIFE CYCLE COST ANALYSIS/ENERGY CONSERVATION REPORT FEES. Fees for LCCA and ECR reviews will be established to recover WSEO's actual costs in conducting the reviews. Annually, these costs will be evaluated and a revised fee schedule will be published, effective July 1 of the year in which it is issued. WSEO's fee for an LCCA or ECR review will not exceed two thousand dollars or one-tenth of one percent of the project's total design and construction cost, whichever is less, unless mutually agreed by the institution and WSEO. No fee is charged for school building energy characteristics report reviews.

WSEO shall annually evaluate whether energy savings resulting from its review of LCCA's and ECR's justify the costs of performing the reviews. WSEO shall make the results of that report available to the public, on request.

#### NEW SECTION

WAC 194-20-050 RECEIPT OF FUNDS. WSEO requires full payment of its invoices in the form of a check made payable to WSEO or an electronic fund transfer. For LCCA's and ECR's submitted for review, institutions will be invoiced when the review takes place. For all other energy conservation or cogeneration services, institutions will be invoiced on a monthly basis unless other financing arrangements are mutually agreed upon in advance.

#### NEW SECTION

WAC 194-20-060 NET REVENUE FROM TRANSACTIONS FOR CONSERVATION. In accordance with RCW 39.35C.120, when an energy efficiency project at a state agency or a school district involves a financial transaction with a utility, Bonneville Power Administration, or other entity, and is funded in whole or part with state funds, fifty percent of all net revenue shall be deposited in the energy efficiency services account (RCW 39.35C.120(4)). Funds received as a result of the net revenue determination as outlined in RCW 39.35C.120(7) can be used for:

- (1) Funding energy partnerships services; and
- (2) Transfers by the legislature to the state general fund.

Net revenue received under the authority of this section shall be deposited in a single subaccount if those projects have been identified by the superintendent of public instruction as having received state support from the common school construction fund.

NEW SECTION

WAC 194-20-070 NET SAVINGS AND NET REVENUE FROM TRANSACTIONS FOR COGENERATION. In accordance with RCW 39.35C.120, fifty percent of net savings and eighty percent of net revenue generated at state facilities with new cogeneration projects shall be deposited in the energy efficiency services account, and for institutions of higher education, fifty percent of net savings and fifty percent of net revenue from new cogeneration projects will be deposited in the energy efficiency services account; except that no net revenue will be assessed for cogeneration projects in operation as of July 28, 1991. Funds received as a result of the net revenue determination as outlined in RCW 39.35C.120(7) and from net savings will be placed in the energy efficiency services account and can be used for:

- (1) Funding energy partnerships services; and
- (2) Transfers by the legislature to the state general fund.

NEW SECTION

WAC 194-20-080 WORKING CAPITAL REQUIREMENTS. The WSEO establishes an initial goal of building within the energy efficiency services account a working capital account balance equal to four to five months of operating costs.