

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

**SESSION LAW 2001-415
HOUSE BILL 1272**

AN ACT REQUIRING STATE AGENCIES TO USE LIFE-CYCLE COST ANALYSIS FOR THE DESIGN, CONSTRUCTION, OPERATION, MAINTENANCE, AND RENOVATION OF STATE FACILITIES AND FOR THE PURCHASE, OPERATION, AND MAINTENANCE OF EQUIPMENT FOR THESE FACILITIES AND IMPLEMENTING A PILOT PROGRAM TO REVIEW THE USE OF THE TRIANGLE J COUNCIL OF GOVERNMENTS' HIGH PERFORMANCE GUIDELINES IN THE RENOVATION OR CONSTRUCTION OF STATE FACILITIES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143-64.10(a) reads as rewritten:

"(a) The General Assembly hereby finds:

- (1) That the State ~~should~~shall take a leadership role in aggressively undertaking energy conservation in North Carolina;
- (2) That State facilities have a significant impact on the State's consumption of energy;
- (3) That energy conservation practices adopted for the design, construction, operation, maintenance, and renovation of these facilities and for the purchase, operation, and maintenance of equipment for these facilities will have a beneficial effect on the State's overall supply of energy;
- (4) That the cost of the energy consumed by these facilities and the equipment for these facilities over the life of the facilities ~~must~~shall be considered, in addition to the initial cost;
- (5) That the cost of energy is significant and facility designs ~~must~~shall take into consideration the total life-cycle cost, including the initial construction cost, and the cost, over the economic life of the facility, of the energy consumed, and of operation and maintenance of the facility as it affects energy consumption; and
- (6) That State government ~~should~~shall undertake a program to reduce energy use in State facilities and equipment in those facilities in order to provide its citizens with an example of energy-use efficiency."

SECTION 2. G.S. 143-64.11(2a) reads as rewritten:

"For purposes of this Article:

...
(2a) "~~Energy Division~~Energy Office' means the State Energy DivisionOffice of the Department of ~~Commerce~~Administration.
"

...
SECTION 3. G.S. 143-64.12 reads as rewritten:

"§ 143-64.12. **Authority and duties of State agencies.**

(a) The General Assembly authorizes and directs that State agencies shall carry out the construction and renovation of State facilities, under their jurisdiction in such a manner as to further the policy declared herein, ~~insuring that~~insuring the use of life-cycle cost analyses and energy-conservation ~~practices are considered and are employed whenever feasible and practicable.~~practices.

(b) The Department of Administration ~~shall, to the extent feasible and practicable, shall~~ develop and implement policies, procedures, and standards to ensure that State purchasing practices improve energy efficiency and take the cost of the product over the economic life of the product into consideration. The Department of Administration shall adopt and implement Building Energy Design Guidelines. These guidelines shall include energy-use goals and standards, economic assumptions for life-cycle cost analysis, and other criteria on building systems and technologies. The Department of Administration shall modify the design criteria for construction and renovation of facilities to require that a life-cycle cost analysis be conducted pursuant to G.S. 143-64.15. The Department of Administration, as part of the Facilities Condition and Assessment Program, shall identify and recommend energy conservation maintenance and operating procedures that are designed to reduce energy consumption within the facility and that require no significant expenditure of funds. State departments, institutions, or agencies shall implement these recommendations. Where energy management equipment is proposed for State facilities, the maximum interchangeability and compatibility of equipment components shall be required.

The Department of Administration shall develop a comprehensive energy management program for State government. Each State agency shall develop and implement an energy management plan that is consistent with the State's comprehensive energy management program.

(c) through (g) Repealed by Session Laws 1993, c. 334, s. 4."

SECTION 4. G.S. 143-64.15(c) reads as rewritten:

"(c) The General Assembly ~~encourages any~~requires each entity to conduct a life-cycle cost analysis pursuant to this section for the construction ~~of any State assisted facility~~ or the renovation of any State facility or State-assisted facility of 40,000-20,000 or more gross square feet."

SECTION 5. G.S. 143-64.15(f) reads as rewritten:

"(f) ~~Selection of the optimum system or combination of systems to be incorporated into the design of the facility shall take into consideration the life cycle cost analysis over the economic life of the facility.~~Each State agency shall use the life-cycle cost analysis over the economic life of the facility in selecting the optimum system or combination of systems to be incorporated into the design of the facility."

SECTION 6. Part 1 of Article 3B of Chapter 143 of the General Statutes is amended by adding a new section to read:

"§ 143-64.15A. Certification of life-cycle cost analysis.

All State agencies under the jurisdiction of the Department of Administration performing a life-cycle cost analysis for the purpose of constructing or renovating any State facility shall, prior to selecting a design option or advertising for bids for construction, submit the life-cycle cost analysis to the Department for certification. The Department shall review the material submitted by the State agency, reserve the right to require agencies to complete additional analysis to comply with certification, perform any additional analysis, as necessary, to comply with G.S. 143-341(11), and require that all construction or renovation conducted by the State agency comply with the certification issued by the Department."

SECTION 7.(a) Triangle J Guidelines Pilot Program. – The General Assembly recognizes the State's need to understand how energy conservation measures are utilized in the construction or renovation of State facilities and how these measures benefit the State through cost savings and the protection of our natural resources. The General Assembly promotes the use of the Triangle J Council of Governments' High Performance Guidelines to achieve these goals and encourages any State entity to rate itself in accordance with these guidelines for the design, construction, operation, maintenance, or renovation of any State-assisted or State-owned facility.

SECTION 7.(b) To accomplish the goals described in Section 7(a) of this act, the Department of Administration shall implement a pilot program to review the use

of the Triangle J Council of Governments' High Performance Guidelines in projects for the renovation or construction of State facilities.

The Board of Governors of The University of North Carolina shall select at least four projects to participate in the pilot program, and the State Board of Community Colleges and the Office of State Budget, Planning, and Management shall select at least three projects each to participate in the program. One-third of the projects participating in this program shall be projects for the repair or renovation of a State facility, and the remaining projects shall be projects for the construction of State facilities.

SECTION 7.(c) The Department of Administration shall oversee the pilot program, and each entity involved shall submit all applicable information to the Department as it deems necessary, including compiling and submitting energy usage and cost data. The program shall include a one-year postoccupancy evaluation that shall be included as part of the evaluation of the Triangle J Council of Governments' High Performance Guidelines for each facility. The entities participating in this program shall explore the concept of a "high performing facility" in assessing the use of the Triangle J Guidelines for these projects. For purposes of this section, "high performing facility" means a building and surrounding environs designed using features that are energy efficient, incorporate reusable and renewable resources, provide natural lighting, are nontoxic, require low maintenance, are congruent with the natural characteristics of the site, incorporate water conservation measures, and cause minimum adverse impact to the environment as enacted in Section 2(11) of S.L. 2000-143.

SECTION 7.(d) The Department of Administration shall submit an interim report on the implementation of this program to the Senate and House of Representatives' Chairs of the Appropriations Committees, Chairs of General Government Appropriations Subcommittee, and the Joint Legislative Commission on Governmental Operations not later than December 15, 2002. The report shall discuss the benefits of using the Triangle J Council of Governments' High Performance Guidelines and make recommendations regarding the use of the Triangle J Guidelines in the projects participating in the program and other projects. The Department of Administration shall submit a final report to the Senate and House of Representatives' Chairs of the Appropriations Committees, Chairs of General Government Appropriations Subcommittee, and the Joint Legislative Commission on Governmental Operations not later than 18 months after completion of the last project participating in this program, if practicable.

SECTION 7.(e) This act shall not be construed to obligate the General Assembly to appropriate funds to implement the Triangle J Guidelines pilot program.

SECTION 8. This act becomes effective October 1, 2001.

In the General Assembly read three times and ratified this the 11th day of September, 2001.

s/ Beverly E. Perdue
President of the Senate

s/ James B. Black
Speaker of the House of Representatives

s/ Michael F. Easley
Governor

Approved 11:10 a.m. this 22nd day of September, 2001