
SENATE RULES COMMITTEE	AB 2160
Office of Senate Floor Analyses	
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THIRD READING

Bill No: AB 2160
Author: Lieu (D), et al
Amended: 8/28/06 in Senate
Vote: 21

SENATE GOVERNMENTAL ORG. COMMITTEE : 6-3, 6/27/06
AYES: Florez, Denham, Chesbro, Romero, Soto, Vincent
NOES: Battin, Margett, McClintock

SENATE APPROPRIATIONS COMMITTEE : 8-5, 8/17/06
AYES: Murray, Alarcon, Alquist, Escutia, Florez, Ortiz,
Romero, Torlakson
NOES: Aanestad, Ashburn, Battin, Dutton, Poochigian

ASSEMBLY FLOOR : 49-31, 5/31/06 - See last page for vote

SUBJECT : State buildings: green building

SOURCE : Author

DIGEST : This bill requires the state to identify and develop appropriate financing and project delivery mechanisms to facilitate state building energy and resource efficiency projects.

Senate Floor Amendments of 8/28/06 delete all of the

provisions of (Section 2 of the bill) Chapter 10, commencing with Section 9300 of the Public Contract Code) added on August 23, 2006, relative to the GS \$Mart Program.

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ANALYSIS : Existing law requires that new public buildings and publicly funded schools be "models of energy efficiency" and be designed, constructed, and equipped with all energy efficiency measures, materials, and devices that are feasible and cost-effective over the life of the building and requires all state public buildings and publicly funded schools, when renovated or remodeled, to be retrofitted to meet specified building standards.

Existing law establishes the State Energy Resources Conservation and Development Commission (commonly referred to as the California Energy Commission, or CEC) which is responsible for forecasting energy supply and demand, developing and implementing energy conservation measures, conducting energy-related research and development programs, and siting major power plants.

This bill:

- 1.Requires the Sustainable Building Task Force and Technical Group, established by Executive Order (D-16-00), in consultation with the Department of General Services (DGS), and the California Energy Commission (CEC), to define a life cycle cost assessment methodology to be used to evaluate state building design and construction decisions and to propose, by July 1, 2007, the methodology to the Green Action Team, an entity created by Governor Schwarzenegger to carry out the energy reduction goals of his Executive Order (S-20-04).
- 2.Requires the CEC, in consultation with DGS and the Treasurer's Office, to develop financing and project delivery mechanisms to facilitate state building energy and resource efficient projects. Also, requires the CEC, in consultation with these entities, to identify incentives to facilitate private sector commercial

building energy and resource efficient projects.

3.Requires the CEC to report its findings and recommendations on financing and delivery mechanisms to the Green Action Team by January 1, 2008.

4.Defines "Green Action Team" as the interagency team established to further the goals of Executive Order

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(S-20-04).

Comments

Executive Order S-20-04: Governor Schwarzenegger established the Green Building Initiative, which ordered the state to take specified actions relative to improving energy efficiency in buildings, including encouraging state agencies to reduce energy purchases from state-owned buildings by 20 percent by 2015, urging the State Architect to adopt energy efficiency guidelines for new schools, and requiring the California Energy Commission to take all actions within its authority to increase energy efficiency within non-residential buildings by 20 percent by 2015. The Executive Order also directed the state to identify the most appropriate financing and project delivery mechanisms to achieve these goals.

FISCAL EFFECT : Appropriation: No Fiscal Com.: Yes
Local: No

According to the Senate Appropriations Committee:

Fiscal Impact (in thousands)

<u>Major Provisions</u>	<u>2006-07</u>	<u>2007-08</u>
<u>2008-09 Fund</u>		
Reports	\$150	\$150
Various		

According to the Senate Appropriations Committee analysis, the costs of these two reports will depend on how much effort is expended. If DGS and CEC both devote a person to the tasks for each of two years, the bill could cost \$100,000 (half year) in the current year, \$100,000 (half year) in the budget year. In addition, the Task Force and Treasurer's Office could incur costs of \$25,000 each.

SUPPORT : (Verified 8/23/06)

Californians Against Waste
Department of General Services
Sacramento Municipal Utility District

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OPPOSITION : (Verified 8/23/06)

Department of Finance

ARGUMENTS IN SUPPORT : According to the author's office, the identification and development of appropriate financing and project delivery mechanisms is one of the most critical pieces of Executive Order S-20-04 and is integral to facilitating state and private sector commercial green building development. The author's office believes that the identification and development of appropriate financing and project delivery mechanisms is an important step in implementing the requirements of the Executive Order because all the objectives are based on funding. The author's office also notes that although the Executive Order directed the state to identify appropriate financing and project delivery mechanisms to achieve energy and resource efficiency goals, the state has failed to implement this directive and states that this bill is intended to codify that requirement as well as the requirement that the state develop a related life-cycle cost methodology.

ARGUMENTS IN OPPOSITION : The Department of Finance states that this bill is not necessary as it duplicates the

Governor's Executive Order S-20-04 (EO) which is already in place and the same requirements have already been completed or are nearing completion. In the EO, the Governor committed the state to actively reduce the state's energy-efficient manner. According to the author's office, this bill will essentially codify the essential requirement so f the EO: (1) identify appropriate financing and project delivery mechanisms, and (2) develop a related life-cycle cost methodology. The importance of this bill is based on the view that the requirements within the EO have not yet been met. _

ASSEMBLY FLOOR :

AYES: Arambula, Baca, Bass, Berg, Bermudez, Blakeslee, Calderon, Canciamilla, Chan, Chavez, Chu, Cohn, Coto, De La Torre, Dymally, Evans, Frommer, Goldberg, Hancock, Jerome Horton, Jones, Karnette, Klehs, Koretz, Laird, Leno, Levine, Lieber, Lieu, Liu, Matthews, Montanez,

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Mullin, Nation, Nava, Negrete McLeod, Oropeza, Parra, Pavley, Ridley-Thomas, Ruskin, Saldana, Salinas, Torrico, Umberg, Vargas, Wolk, Yee, Nunez

NOES: Aghazarian, Benoit, Bogh, Cogdill, Daucher, DeVore, Emmerson, Garcia, Harman, Haynes, Shirley Horton, Houston, Huff, Keene, La Malfa, La Suer, Leslie, Maze, McCarthy, Mountjoy, Nakanishi, Niello, Plescia, Richman, Sharon Runner, Spitzer, Strickland, Tran, Villines, Walters, Wyland

TSM:do 8/26/06 Senate Floor Analyses

SUPPORT/OPPOSITION: SEE ABOVE

**** END ****

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