

STATE BUILDING ENERGY CONSERVATION PROGRAM

Program Description

The State Building Energy Conservation Program (SBECP), administered by the Department of Environmental Quality (DEQ), was established by the 1989 Legislature to reduce operating costs of state facilities by identifying and funding cost-effective energy efficiency improvement projects. Statutory authority is found in Title 90, Chapter 4, part 6, MCA. Energy efficiency improvements include projects such as:

- * Replacing old, inefficient boilers
- * Insulating buildings
- * Upgrading inefficient lighting
- * Providing more effective temperature controls
- * Increasing ventilation system efficiency
- * Upgrading water conservation systems

Projects with the potential for energy savings are funded through the SBECP, and are often jointly funded with the Long-Range Building Program deferred maintenance funds.

Summary of Legislative Action

The Sixty-fourth Legislature provided \$2.5 million of appropriations for the SBECP in the 2017 biennium. The figure below shows the projects appropriated in HB 403 and includes the anticipated annual energy savings associated with the projects and the total years to repay project costs.

State Building Energy Conservation Program Executive Recommendation - 2017 Biennium				
Department	Project Title	Project Costs	Est. Annual Savings	Simple Payback/Yrs
Corrections	Dairy Digester	\$600,000	\$40,000	15.0
Administration	Capital Complex Energy Improvements	1,150,000	74,000	15.5
	1100 Last Chance Gulch Mechanical Upgrades	150,000	11,000	13.6
University System	Campus Lighting Upgrades	600,000	60,000	10.0
Total Funding / Savings		\$2,500,000	\$185,000	

FUNDING

The SBECP operates as a “revolving loan program”. Agencies effectively borrow the funding for projects and reimburse the program from the energy savings. In FY 2015 reimbursements are expected to generate approximately \$1.8 million, and the reimbursements are expected to remain at that annual level throughout the 2017 biennium. As seen in the figure above, the investment of \$2.5 million will provide estimated savings of \$185,000 per fiscal year, once the projects are complete and the agencies begin reimbursing the program. Savings derived from the projects is expected to continue for between 10 and 15 years. Those funds will be used for projects in future years.

Executive Budget Comparison

The Sixty-fourth Legislature made no changes from the executive request for the SBECP.

Other Legislation

The Sixty-fourth Legislature did not enact any other legislation that would directly impact the SBECP program.