

STATE BUILDING ENERGY CONSERVATION PROGRAM

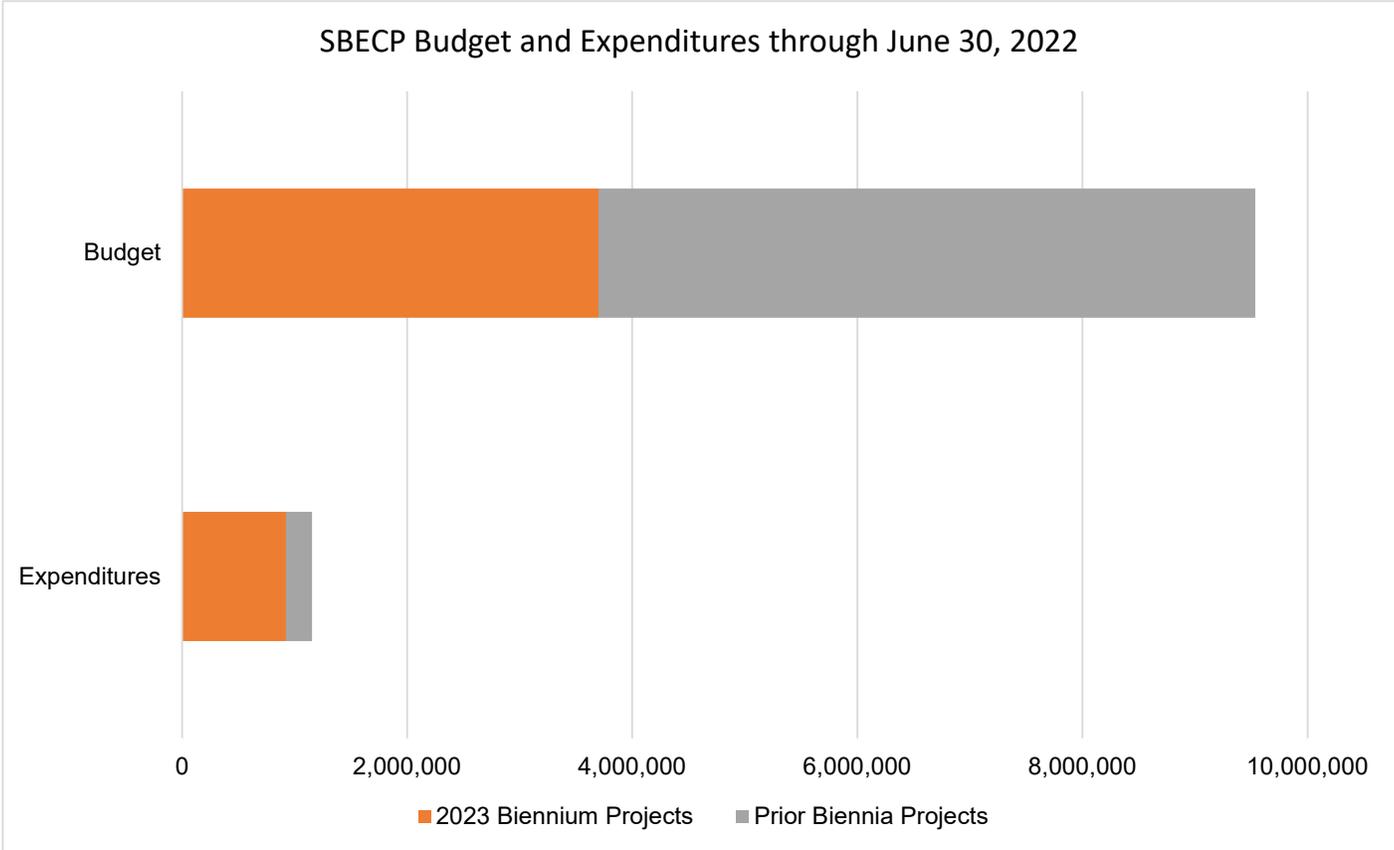
PROGRAM SUMMARY

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/water efficiency improvement projects. Statutory authority is found in Title 90, Chapter 4, part 6, MCA.

Since 2009, the SBECP has functioned as a revolving loan program. Agencies borrow from the program for the cost of the project and then repay the project investment with utility savings. In addition to the project costs, agencies also pay an interest rate equal to 3.0% on the unpaid balance of the loan. This additional 3.0% funds the administrative costs of the program. In the HB 2 budget, SBECP loan repayments are scheduled to generate an average of \$2.0 million per year in the 2023 biennium, which can then be reinvested into new projects.

BUDGET & EXPENDITURE

The following chart and table show SBECP 2023 biennium budget and expenditure through June 30, 2022 (fiscal year-end).



SBECP Budget and Expenditures through June 30, 2022					
Item	Appropriations		Expenditures	Balance	% Expended
	HB 5				
2023 Biennium Projects	3,700,000		923,587	2,776,413	25.0%
Prior Biennia Projects	5,836,810		232,481	5,604,329	4.0%
Total Appropriations/Expenditures	9,536,810		1,156,068	8,380,742	12.1%

The 67th Legislature authorized \$3.7 million for nine SBECP projects for the 2023 biennium, including \$2.9 million for energy efficiency upgrade projects and \$830,000 for lighting upgrade projects. SBECP projects are appropriated in HB 5 and, in many cases, integrated as part of larger capital projects, funded through that legislation. In FY 2022, the DEQ transferred \$2.0 million of current biennium SBECP authority to the Department of Administration for integration with long-range building projects. Approximately \$924,000 of that transferred authority was expended for lighting upgrades and capital projects in FY 2022.

For projects authorized from prior biennia, about \$5.8 million of authority was established from remaining budget for those projects. About \$232,000 of that authority was expended in FY 2022.