

STATE BUILDING ENERGY CONSERVATION PROGRAM

PROGRAM BUDGET COMPARISON

Figure 14 compares the 2023 biennium appropriated budget to the 2025 biennium appropriated budget by type of expenditure and source of funding.

Figure 14

Program Comparison - State Building Energy Conservation Program				
Budget Item	Budget 2023 Biennium	Budget 2025 Biennium	Biennium Change	Biennium % Change
	<u>Appropriated</u>	<u>Proposed</u>		
Projects Costs	3,700,000	3,700,000	0	0.0%
Total Costs	\$3,700,000	\$3,700,000	\$0	0.0%
Capital Project Funds	3,700,000	3,700,000	0	0.0%
Total Funds	\$3,700,000	\$3,700,000	\$0	0.0%

PROGRAM DISCUSSION

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.

Projects with the potential for energy/water savings are funded through the SBECP and are often components of projects jointly funded with Long-Range Building Program funds.

SUMMARY OF LEGISLATIVE ACTION

The 68th Legislature provided \$3.7 million of appropriations for the SBECP in the 2025 biennium. Figure 15 shows the projects planned for the appropriation in HB 5, project investment, the anticipated annual energy savings associated with the projects, and the total years to repay project costs.

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Figure 15

State Building Energy Conservation Program				
Long-Range Planning Recommendations: HB 5 - 2025 Biennium				
Dept.	Project Title	Project Investment	Est. Annual Savings	Simple Payback/Yrs
<u>Fish, Wildlife, and Parks</u>				
	Pictograph Cave State Park - Lighting Upgrade	\$10,000	800	13
	First Peoples - Lighting Upgrade	7,500	850	9
	Makoshika SP - Visitor Center Basement Lighting Upgrade	2,000	100	20
	Makoshika Park - Solar PV	26,000	2,600	10
	Giant Springs Hatchery - Lighting Upgrade	25,000	2,500	10
<u>Department of Natural Resources & Conservation</u>				
	Missoula Campus Lighting Upgrade (Spurgin Road)	108,440	7,000	20
<u>Labor and Industry</u>				
	Polson Job Service - Lighting Upgrade	9,500	1,200	8
<u>MT University System</u>				
	MT Tech Bureau of Mines & Geology - Billings Office Lighting Upgrade	16,000	1,300	12
	MT Tech Bureau of Mines & Geology - Billings Office Server Room Chiller	6,200	1,200	5
	Miles City Comm College - Main Campus Lighting Upgrade w/Boiler Replacement	75,000	22,500	13
	UM Western Campus - Expanded Lighting Upgrade	30,000	42,250	10
<u>Additional Projects TBD</u>				
	COR/DOJ/DPPHS/MUS Lighting Upgrades & Energy Improvements	3,384,360	22,624	
Total Funding / Savings		\$3,700,000	\$104,924	

The legislature adopted the proposed budget for the SBECP at the same funding level as the 2023 biennium. The budget will fund eleven specific projects and provide additional projects to be determined.

FUNDING

The SBECP is a revolving loan program. Agencies borrow from the program for the costs of the project, and then reimburse the program for those costs with the savings realized through the projects. In addition to the project costs, agencies also pay an interest rate equal to 3.0% on the unpaid balances of loans, which funds the administrative costs of the program.

EXECUTIVE BUDGET COMPARISON

The 67th Legislature made no changes from the executive request for the SBECP.