

STATE BUILDING ENERGY CONSERVATION PROGRAM

PROGRAM BUDGET COMPARISON

Figure 15 compares the 2021 biennium appropriated budget to the 2023 biennium appropriated budget by type of expenditure and source of funding.

Figure 15

Program Comparison - State Building Energy Conservation Program				
Budget Item	Budget 2021 Biennium	Budget 2023 Biennium	Biennium Change	Biennium % Change
	<u>Appropriated</u>	<u>Appropriated</u>		
Projects Costs	\$3,600,000	\$3,700,000	\$100,000	2.78%
Total Costs	\$3,600,000	\$3,700,000	\$100,000	2.78%
Capital Project Fund	3,600,000	3,700,000	100,000	2.78%
Total Funds	\$3,600,000	\$3,700,000	\$100,000	2.78%

PROGRAM DISCUSSION

The State Building Energy Conservation Program (SBCEP), 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. Energy/water efficiency improvements include projects such as:

Figure 16

State Building Energy Conservation Program HB 5 - 2023 Biennium				
Dept.	Project Title	Project Investment	Est. Annual Savings	Simple Payback/Yrs
<u>Fish, Wildlife, and Parks</u>				
	First Peoples Buffalo Jump State Park – Lighting Upgrade	\$10,000	\$1,000	10
	Lewis and Clark Caverns State Park - Lighting Upgrade	10,000	1,000	10
	Pictograph Cave State Park - Lighting Upgrade	10,000	1,000	10
	Traveler's Rest State Park - Lighting Upgrade	10,000	1,000	10
<u>Labor and Industry</u>				
	Sidney Job Service – Lighting Upgrade	5,000	500	10
	Helena Job Service – Lighting Upgrade	35,000	3,500	10
<u>State-wide Energy Improvements</u>				
	Energy Efficiency Upgrades on A&E Projects	1,500,000	100,000	15
	Lighting Upgrade Projects in State Facilities	750,000	75,000	10
	Energy Efficiency Upgrades in MT University System	1,370,000	91,333	15
Total Funding / Savings		\$3,700,000	\$274,333	

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

SUMMARY OF LEGISLATIVE ACTION

The 67th Legislature provided \$3.7 million of appropriations for the SBCEP in the 2023 biennium. Figure 16 shows the projects planned for the appropriation in HB 5 and includes the anticipated annual energy savings associated with the projects and the total years to repay project costs.

STATE BUILDING ENERGY CONSERVATION PROGRAM

The legislature adopted the proposed budget for the SBECPP with an increase of \$0.1 million or 2.8% from the 2021 biennium budget. The budget will fund six specific projects and provide authority for another three statewide projects.

FUNDING

The SBECPP 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. In the HB 2 budget, SBECPP loan repayments are scheduled to generate an average of \$2.0 million per year in the 2023 biennium.

EXECUTIVE BUDGET COMPARISON

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

OTHER LEGISLATION

The 67th Legislature did not enact any other legislation that would directly impact the SBECPP.