
HOUSE BILL 1022

State of Washington

52nd Legislature

1991 Regular Session

By Representatives Cooper, May, Bray, Grant, H. Myers, Basich, Wineberry, R. Meyers, Peery, Phillips, R. Johnson, Wang, Sprenkle, Spanel, Sheldon, Miller, Ogden, Rayburn, Jones, Ludwig, Prentice, Kremen, Leonard, Rust, Braddock, R. King, Nelson, Pruitt, Cantwell, G. Fisher, Jacobsen, R. Fisher, Valle, Roland, Hine, Winsley, Rasmussen and Brekke; by request of Governor Gardner.

Read first time January 16, 1991. Referred to Committee on Energy & Utilities.

1 AN ACT Relating to state energy policy; amending RCW 39.35.030;
2 adding new sections to chapter 43.21F RCW; adding a new chapter to
3 Title 39 RCW; adding new sections to chapter 39.35 RCW; creating a new
4 section; and repealing 1982 c 159 s 6 (uncodified).

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.21F RCW
7 to read as follows:

8 The legislature finds that after a period of ample, relatively low-
9 cost energy supplies, the state is now facing many difficult decisions
10 necessary to ensure adequate, reliable, affordable, and environmentally
11 acceptable energy resources for the future. The state has experienced
12 rapid growth in electric demand, resulting in the depletion of the
13 regional electricity surplus and the straining of transmission system
14 capacity. Significant resource additions will be required to assure

1 future electricity supply. These resource additions will frequently be
2 controversial and significantly more expensive than the existing
3 electrical supply.

4 Similarly, growth and low prices have increased our reliance on
5 petroleum. Recent events, however, have demonstrated that the price
6 and supply of petroleum are vulnerable to disruptions that have
7 significant adverse effects on the state's economy and well-being.

8 Finally, there is a growing realization that decisions made about
9 energy supply and use frequently have significant consequences for the
10 quality of our environment, ranging from risks of oil spills, to air
11 quality, to endangered species, to the threat of global climate change.
12 Energy decisions will inevitably involve difficult trade-offs among
13 economic, environmental, and energy security considerations.

14 The legislature further finds that the institutions responsible for
15 decisions about energy and that affect energy are diverse, frequently
16 lack comprehensive authority, and often have conflicting mandates.
17 While sophisticated planning is carried out in many energy sectors,
18 that planning frequently cannot adequately address issues that involve
19 other energy sources. Decisions that affect energy development and
20 use, such as transportation, land use, and some environmental
21 regulations, have no guidelines for taking energy considerations into
22 account.

23 The legislature finds that the relatively stable energy situation
24 in the last decade has diminished public understanding of energy
25 choices, issues, and trade-offs. Energy decisions affect all citizens
26 of the state and require public education and broad-based participation
27 to assist the leaders of the state in making these difficult decisions
28 for our future.

29 The legislature further finds that the state has a responsibility
30 to effectively manage energy expenditures for public facilities and to

1 demonstrate leadership in efficient use and generation of energy.
2 Washington citizens spend in excess of one hundred million dollars
3 annually for energy costs at public schools and state facilities.
4 Energy is a growing expense, but these costs can be stabilized and
5 reduced by investing in opportunities that cut energy budgets and
6 generate revenue through energy efficiency and generation. It is in
7 the interests of the citizens of the state to immediately move forward
8 to invest in energy efficiency in public facilities as a means of
9 minimizing the state's fiscal vulnerability associated with volatile
10 energy prices.

11 It is the intent of the legislature to direct the development of a
12 state energy strategy which identifies key energy issues facing the
13 state over the next ten to twenty years; illuminates alternative
14 choices and their economic, security, and environmental costs,
15 benefits, risks, and trade-offs; establishes goals to guide energy-
16 related decisions; and provides recommendations for guiding our energy
17 future. The legislature intends that the development of the state
18 energy strategy include the ample opportunity for public involvement in
19 the process.

20 It is also the intent of the legislature to take immediate steps to
21 reduce public sector energy use and costs and to increase related
22 benefits for the state and its citizens by making and facilitating
23 investments in cost-effective energy efficiency and generation
24 opportunities at state facilities and public schools, and to provide a
25 flexible array of financing options and other mechanisms to achieve
26 these ends. It is the intent of the legislature that the public sector
27 serve as a model of energy-efficient operation and management for the
28 citizens of the state.

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.21F RCW
2 to read as follows:

3 (1) The state energy office shall develop a state energy strategy.
4 The strategy shall be developed in consultation with the utilities and
5 transportation commission, the energy facility site evaluation council,
6 the state's representatives to the Northwest power planning council,
7 the department of ecology; the department of transportation, other
8 relevant state agencies, the Bonneville power administration, public
9 and investor-owned electric and gas utilities, other energy suppliers,
10 consumers, environmental groups, and the legislature. The director of
11 the energy office shall establish any necessary advisory and technical
12 groups to assist in the development of the strategy. The director
13 shall provide for extensive public involvement throughout the
14 development of the state energy strategy.

15 (2) The state energy strategy shall provide a framework in which
16 future decisions regarding energy supply, use, and policy can be
17 evaluated. The state energy strategy shall:

18 (a) Consider all forms of energy and address each sector of energy
19 consumption;

20 (b) Assess future energy needs of the state;

21 (c) Evaluate alternatives for meeting needs and consider economic,
22 security, and environmental costs and benefits;

23 (d) Consider and avoid duplication of existing energy planning
24 efforts;

25 (e) Evaluate the future role of the state energy office and means
26 of financing those activities determined essential to the state;

27 (f) Establish goals to guide energy-related decisions; and

28 (g) Provide policy recommendations to the governor and the
29 legislature.

1 (3) The energy office shall provide a progress report to the house
2 of representatives and senate committees on energy and utilities in
3 January 1992. A final report shall be provided to the governor and the
4 legislature by December 1, 1992.

5 NEW SECTION. **Sec. 3.** Unless the context clearly requires
6 otherwise, the definitions in this section apply throughout this
7 chapter.

8 (1) "Cogeneration" means the sequential generation of two or more
9 forms of energy from a common fuel or energy source. If these forms are
10 electricity and thermal energy, then the operating and efficiency
11 standards established by 18 C.F.R. Sec. 292.205 and the definitions
12 established by 18 C.F.R. 292.202 (c) through (m) apply.

13 (2) "Conservation" means reduced energy consumption or energy cost,
14 or increased efficiency in the use of energy, and activities, measures,
15 or equipment designed to achieve such results, but does not include
16 district heating and cooling, or electric production from cogeneration.

17 (3) "Cost-effective" means providing positive net present value
18 with a discount rate set equal to the cost of public borrowing.

19 (4) "District heating and cooling" means the production of thermal
20 energy at a public facility and its sale for distribution or use or
21 both, in buildings that are not part of the same facility.

22 (5) "Energy" means energy as defined in RCW 43.21F.025(1).

23 (6) "Energy efficiency" means conservation, cogeneration, district
24 heating and cooling, or the use of alternative energy resources.

25 (7) "Energy office" means the Washington state energy office.

26 (8) "Host institution" means the local administrative body
27 responsible for the public facility at which an energy efficiency
28 measure or project is or may be implemented.

1 (9) "Local government" means a county, city, town, school district
2 or other municipal corporation, political subdivision, or taxing
3 district in the state.

4 (10) "Person" means a natural person, private or public
5 corporation, partnership, or association, or a combination thereof.

6 (11) "Project" means a project or projects designed to result in
7 energy efficiency.

8 (12) "Public entity" means a Washington state agency, school
9 district, or other local government.

10 (13) "Public facility" means a building or structure, or a group
11 of buildings or structures at a single site, owned by a public entity.

12 (14) "State agency" means every state office or department, whether
13 elective or appointive, state institutions of higher education, and all
14 boards, commissions, or divisions of state government, however
15 designated.

16 (15) "State facility" means a building or structure, or a group of
17 buildings or structures at a single site, owned by a state agency.

18 (16) "Utility" means privately or publicly owned electric, gas,
19 heating, and water utilities, electric cooperatives, and federal power
20 marketing agencies, whether located within or without Washington state.

21 NEW SECTION. **Sec. 4.** (1) State agencies and school districts
22 shall pursue and maintain efficient operation of their facilities in
23 order to minimize energy consumption and related environmental impacts
24 and reduce operating costs.

25 (2) The energy office shall assist public entities and host
26 institutions in identifying, evaluating, and implementing cost-
27 effective energy efficiency projects at public facilities. The
28 assistance shall include but is not limited to notifying public
29 entities of their responsibilities under this chapter; apprising them

1 of opportunities to develop and finance such projects; providing
2 technical and analytical support; reviewing verification procedures for
3 energy savings; and assisting in the structuring and arranging of
4 financing for projects expected to result in reduced energy use or
5 costs, increased energy efficiency, or other net benefits for public
6 entities and the state. Pursuant to written agreements the energy
7 office shall obtain reimbursement for such assistance, including
8 reimbursement from third parties participating in such projects, for
9 any costs and expenses incurred in providing such assistance.

10 (3) The energy office shall consult with electric utilities
11 regarding energy efficiency projects implemented pursuant to this
12 chapter, at public facilities in the utility's service territory.

13 NEW SECTION. **Sec. 5.** (1) The energy office shall coordinate
14 the sale, exchange, or transmission of energy generated or saved at
15 state agencies and school districts at their facilities to and with
16 utilities for the purpose of preserving and increasing the benefits
17 received by such agencies and schools and the state.

18 (2) State agencies and school districts considering submitting or
19 participating in an offer to a utility for the sale or exchange of
20 energy generated or saved at their facilities shall notify the energy
21 office in advance of preparing the offer of their intention to submit
22 or participate. The advance notice must be within thirty days before
23 submittal of the offer to the energy office.

24 (3) In an effort to increase the benefit for state agencies and
25 school districts in sales or exchanges of energy generated or saved
26 with utilities or other entities for energy generated or saved at
27 public facilities, the energy office shall be involved in these
28 transactions in the following manner:

1 (a) The energy office and the host institution must both approve
2 any transaction that provides resources to a utility or other entity in
3 the form of energy generated or saved at state or school district
4 facilities.

5 (b) The energy office and the host institution shall work together
6 throughout the planning and negotiation process for major transactions.

7 (c) The energy office shall negotiate directly with utilities in an
8 effort to increase the financial benefit state agencies or school
9 districts will receive from utility resource acquisition efforts or
10 programs.

11 (d) The energy office may base its approval upon a review of an
12 individual project or an utility program. Review by the energy office
13 may include but is not limited to the technical and economic
14 feasibility of a proposed measure or project, the adequacy of
15 procedures proposed for verification of resource performance, the
16 degree of certainty of benefits, and the benefits offered to the state
17 or school district relative to the value of the resource to the
18 utility.

19 (4) The energy office may waive review and approval for
20 transactions or classes of transactions if it determines that its
21 participation will not further the purpose of this section.

22 (5) The energy office shall develop and publish guidelines and
23 procedures for compliance with this section by January 1, 1992.

24 NEW SECTION. **Sec. 6.** In order to implement a wide variety of
25 cost-effective energy efficiency projects for public entities and the
26 state, funding and financing sources that may be employed include but
27 are not limited to:

28 (1) Capital budget funding, where authorized;

29 (2) Financing contracts under chapter 39.94 RCW;

- 1 (3) Third-party financing provided by private or public sources;
2 (4) Energy service contracts with private or public service
3 providers; and
4 (5) The energy efficiency account established by section 9 of this
5 act.

6 NEW SECTION. **Sec. 7.** In addition to any other authorities
7 conferred by law:

8 (1) The energy office may, with the consent of the state agency or
9 host institution responsible for a facility:

10 (a) Develop and finance conservation at state and school district
11 facilities;

12 (b) Contract for energy services, including but not limited to,
13 shared savings, guaranteed savings, or other performance-based
14 arrangements at state facilities;

15 (c) Contract to sell or exchange electric energy generated or saved
16 by energy efficiency projects at public facilities to or with utilities
17 or other state agencies;

18 (d) Contract to sell or exchange thermal energy produced at state
19 facilities to or with utilities, state agencies, or other persons;

20 (e) Undertake procurements for third party development of energy
21 efficiency projects at state facilities, with successful proposers to
22 be selected based on the responsible bid, including nonprice elements
23 listed in RCW 43.19.1911, that offers the greatest net achievable
24 benefits to the state and its agencies; and

25 (f) Participate in negotiations, competitive procurements, and
26 other activities necessary or convenient for these purposes.

27 (2) Subject to section 5 of this act concerning certain utility
28 transactions, state and regional universities, and other state agencies
29 acting through the department of general administration or as otherwise

1 authorized, may exercise the authorities enumerated in subsection (1)
2 of this section for their facilities and may also:

3 (a) Acquire, install, permit, construct, own, operate, and maintain
4 energy efficiency measures or equipment, or both, at their facilities;

5 (b) Lease state property to other private or public parties for the
6 installation and operation of energy efficiency equipment at state
7 facilities;

8 (c) Contract to purchase all or part of the electric or thermal
9 output of cogeneration plants at their facilities;

10 (d) Contract to purchase or otherwise acquire fuel or other energy
11 sources needed to operate cogeneration plants at their facilities;

12 For projects involving cogeneration at state facilities commenced
13 after the effective date of this act, all such authorities shall be
14 exercised in consultation with the energy office.

15 (3) The leasing and contracting authorities provided in this
16 section may be exercised for terms up to thirty years.

17 (4) The authorities under this section may be exercised only if
18 their exercise is reasonably expected to yield lower energy use or
19 costs or higher energy efficiency, or other net benefits including but
20 not limited to cash revenues, site enhancements, or environmental
21 improvements, for the host institution, the agency, or the state over
22 the life of the measures or projects to be undertaken.

23 NEW SECTION. **Sec. 8.** The energy office may use the net
24 proceeds of bonds issued pursuant to capital budget authorization to
25 make loans, in accordance with RCW 43.21F.060(2), to school districts
26 to provide all or part of the financing for conservation projects. The
27 energy office shall determine the eligibility of such projects for
28 conservation loans and the terms of such loans. The repayments of such
29 loans shall be sufficient to pay, when due, the principal of and

1 interest on the bonds, the proceeds of which are used to fund said
2 conservation loans. The payments of principal of and interest on said
3 conservation loans shall be pledged to the extent required to the
4 payment of said bonds. The obligation to repay such loans shall have
5 status equal to an obligation to make payment on nonvoted debt. To the
6 extent that a school district applies the proceeds of such loans to a
7 modernization project, such proceeds shall be considered a portion of
8 the school district's share of the costs of such project.

9 NEW SECTION. **Sec. 9.** (1) The energy efficiency account is
10 hereby created in the state treasury. Moneys in the account may be
11 spent on efforts to reduce future energy use and costs, to increase
12 energy efficiency, or to capture ancillary net benefits from energy
13 projects such as improved reliability for public entities. The source
14 of funds for this account include, where appropriate, proceeds of
15 general obligation bonds, project revenue bonds, loan repayment revenue
16 including repayment of loans initially financed through the energy
17 office in the 1989-91 biennium capital budget, and other appropriate
18 revenue sources. Funds from this account shall be used for
19 construction and implementation of energy efficiency projects. Use of
20 these funds may include but is not limited to project evaluation and
21 verification of benefits, project design, project development, project
22 construction and implementation, and project administration.

23 (2) Moneys in the account shall be administered by the energy
24 office.

25 (3) The energy office may receive and accept funds and make
26 deposits to the account from any source, including but not limited to
27 other federal, state, and local government agencies and revenues from
28 public or private sales of energy generated or saved at public
29 facilities.

1 (4) Disbursements from the account shall be subject to
2 appropriation.

3 (5) The energy office shall establish criteria to approve energy
4 efficiency projects to be financed from funds disbursed from this
5 account. The criteria will include but not be limited to cost-
6 effectiveness, reliability, and environmental costs or benefits. The
7 energy office shall ensure that the criteria are applied with
8 professional standards for engineering and review.

9 NEW SECTION. **Sec. 10.** (1) The energy services account is
10 hereby created in the state treasury. Funds in this account shall be
11 used by the energy office to provide energy efficiency services to
12 public entities including administration of payments on principal and
13 interest of bonds. This account shall be treated as a budgeted
14 internal services account to be administered by the energy office.
15 Periodically, the director of the office of financial management shall
16 examine the balance of this account. The energy office in conjunction
17 with the office of financial management is empowered to transfer funds
18 from the energy services account to the general fund as appropriate.
19 These transfers shall first be made to meet debt repayment requirements
20 and other requirements under bond resolutions and secondarily for other
21 general fund purposes. The energy office may receive and accept funds
22 and make deposits to the account from any source, including but not
23 limited to other federal, state, and local government agencies, utility
24 revenue, project fees, loan repayment revenue, and revenues from public
25 or private sales of energy generated or saved at public facilities.

26 (2) Within one hundred eighty days of the effective date of this
27 act, the energy office shall adopt rules establishing criteria and
28 procedures for setting a fee schedule, working capital requirements,

1 receiving deposits, and making repayments to and disbursements from the
2 account. A biennial business plan shall be prepared for this account.

3 NEW SECTION. **Sec. 11.** (1) Potential benefits from energy
4 efficiency projects at public facilities include but are not limited to
5 savings in the form of reduced energy costs; revenues from lease
6 payments, sales of energy or energy savings, or other sources; avoided
7 capital costs; site enhancements; additional operating and maintenance
8 resources; and environmental improvements.

9 (2) To encourage such projects at state facilities, and
10 notwithstanding any other provision of law, the following benefits from
11 energy efficiency projects completed after the effective date of this
12 act shall be apportioned as specified:

13 (a) As to conservation, state host institutions may retain all net
14 savings in the form of reduced energy costs, and one-half of all net
15 revenues from any transaction with a utility or other entity;

16 (b) As to other energy efficiency projects, state host institutions
17 may retain one-half of all net savings in the form of reduced energy
18 costs and twenty percent of all net revenues generated by the project
19 from any source; and

20 (c) The remaining net revenues from conservation projects, and of
21 net savings and revenues from other energy efficiency projects, shall
22 be remitted to the state for the disposition and uses specified in
23 subsection (4) of this section.

24 (3) Each state host institution's share of net revenues and net
25 savings from energy efficiency projects other than conservation shall
26 be credited to a special local fund, the use of which shall be limited,
27 in priority order, to ongoing operation, maintenance, and improvements
28 of energy systems and energy efficiency measures, to other ongoing and

1 deferred maintenance, and to other infrastructure improvements at the
2 facility.

3 (4) The state's share of net revenues and of net savings from
4 energy efficiency projects other than conservation, and any portion of
5 the host institution's share which exceeds its needs for the purposes
6 specified in subsection (3) of this section, shall be deposited in the
7 energy services account established by section 10 of this act.

8 (5) The use by state host institutions of net savings and net
9 revenues from energy efficiency projects shall be in addition to, and
10 shall not supplant or replace, funding from traditional sources for
11 their normal operations and maintenance or capital budgets. It is the
12 intent of this subsection to ensure that such institutions receive the
13 full benefit intended by this section, and that such effect will not be
14 diminished by budget adjustments inconsistent with this intent.

15 (6) Energy efficiency projects in school districts, funded in whole
16 or in part with state assistance provided under chapter 28A.525 RCW, or
17 with the financing mechanisms authorized by this chapter shall be
18 subject to the provisions of this section governing the apportionment
19 and use of savings and revenues from energy efficiency projects.

20 (7) For purposes of this section, "net" savings and revenues shall
21 mean savings and revenues remaining after payment of project capital
22 costs, including debt service, debt service and loss reserves,
23 arbitrage rebate accounts, mandatory renewal and replacement funds,
24 such other payments and reserves as required by a bond resolution or
25 loan agreement under this chapter, and payment of project operating and
26 maintenance expenses. The energy office shall develop guidelines and
27 procedures for establishing net savings and net revenues for energy
28 efficiency projects at state facilities by April 1, 1992.

1 NEW SECTION. **Sec. 12.** All interest received or earned on money
2 deposited in each and every fund or account provided for in this
3 chapter shall be credited to and become a part of the particular fund
4 upon which the interest accrues, unless the state finance committee
5 directs otherwise.

6 **Sec. 13.** RCW 39.35.030 and 1982 c 159 s 3 are each amended to read
7 as follows:

8 For the purposes of this chapter the following words and phrases
9 shall have the following meanings unless the context clearly requires
10 otherwise:

11 (1) "Public agency" means every state office, officer, board,
12 commission, committee, bureau, department, and all political
13 subdivisions of the state.

14 (2) "Office" means the Washington state energy office.

15 (3) "Major facility" means any publicly owned or leased building
16 having twenty-five thousand square feet or more of usable floor space.

17 (4) "Initial cost" means the moneys required for the capital
18 construction or renovation of a major facility.

19 (5) "Renovation" means additions, alterations, or repairs within
20 any twelve-month period which exceed fifty percent of the value of a
21 major facility and which will affect any energy system.

22 (6) "Economic life" means the projected or anticipated useful life
23 of a major facility as expressed by a term of years.

24 (7) "Life-cycle cost" means the initial cost and cost of operation
25 of a major facility over its economic life. This shall be calculated
26 as the initial cost plus the operation, maintenance, and energy costs
27 over its economic life, reflecting anticipated increases in these costs
28 discounted to present value at the current rate for borrowing public
29 funds, as determined by the (~~state finance committee~~) office of

1 financial management. The energy cost(~~s~~) projections used shall be
2 those (~~projected~~) provided by the state energy office. The office
3 shall update (~~the~~) these projections (~~of energy costs~~) at least
4 every two years.

5 (8) "Life-cycle cost analysis" includes, but is not limited to, the
6 following elements:

7 (a) The coordination and positioning of a major facility on its
8 physical site;

9 (b) The amount and type of fenestration employed in a major
10 facility;

11 (c) The amount of insulation incorporated into the design of a
12 major facility;

13 (d) The variable occupancy and operating conditions of a major
14 facility; and

15 (e) An energy-consumption analysis of a major facility.

16 (9) "Energy systems" means all utilities, including, but not
17 limited to, heating, air-conditioning, ventilating, lighting, and the
18 supplying of domestic hot water.

19 (10) "Energy-consumption analysis" means the evaluation of all
20 energy systems and components by demand and type of energy including
21 the internal energy load imposed on a major facility by its occupants,
22 equipment, and components, and the external energy load imposed on a
23 major facility by the climatic conditions of its location. An energy-
24 consumption analysis of the operation of energy systems of a major
25 facility shall include, but not be limited to, the following elements:

26 (a) The comparison of three or more system alternatives, at least
27 one of which shall include renewable energy systems;

28 (b) The simulation of each system over the entire range of
29 operation of such facility for a year's operating period; and

1 (c) The evaluation of the energy consumption of component equipment
2 in each system considering the operation of such components at other
3 than full or rated outputs.

4 The energy-consumption analysis shall be prepared by a professional
5 engineer or licensed architect who may use computers or such other
6 methods as are capable of producing predictable results.

7 (11) "Renewable energy systems" means methods of facility design
8 and construction and types of equipment for the utilization of
9 renewable energy sources including, but not limited to, active or
10 passive solar space heating or cooling, domestic solar water heating,
11 windmills, waste heat, biomass and/or refuse-derived fuels,
12 (~~cogenerated energy,~~) photovoltaic devices, and geothermal energy.

13 (12) "Cogeneration" means the sequential generation of two or more
14 forms of energy from a common fuel or energy source. Where these forms
15 are electricity and thermal energy, then the operating and efficiency
16 standards established by 18 C.F.R. Sec. 292.205 and the definitions
17 established by 18 C.F.R. 292.202 (c) through (m) as of the effective
18 date of this act shall apply.

19 NEW SECTION. Sec. 14. A new section is added to chapter 39.35 RCW
20 to read as follows:

21 The office, in consultation with affected public agencies, shall
22 develop and issue guidelines for administering this chapter. The
23 purpose of the guidelines is to define a procedure and method for
24 performing life-cycle cost analysis that promotes the selection of low-
25 life-cycle cost alternatives. At a minimum, the guidelines must
26 contain provisions that:

27 (1) Address energy considerations during the planning phase of the
28 project;

1 (2) Identify energy components and system alternatives including
2 renewable energy systems and cogeneration applications prior to
3 commencing the energy consumption analysis;

4 (3) Establish times during the design process for preparation,
5 review, and approval or disapproval of the life-cycle cost analysis;

6 (4) Specify the assumptions to be used for escalation and inflation
7 rates, equipment service lives, economic building lives, and
8 maintenance costs;

9 (5) Determine life-cycle cost analysis format and submittal
10 requirements to meet the provisions of this chapter;

11 (6) Provide for review and approval of life-cycle cost analysis by
12 the energy office.

13 NEW SECTION. **Sec. 15.** A new section is added to chapter 39.35
14 RCW to read as follows:

15 The energy office may impose fees upon affected public agencies for
16 the review of life-cycle cost analysis reports. The fees shall be
17 deposited in the energy services account established in section 10 of
18 this act. The purpose of the fee is to recover the costs by the office
19 for review of the analysis reports. The office shall set fees at a
20 level necessary to recover all of its costs related to increasing the
21 energy efficiency of state-supported new construction. The fees shall
22 not exceed one-tenth of one percent of the total cost of any project.
23 The office shall provide detailed calculation ensuring that the energy
24 savings resulting from its review of life-cycle cost analysis justify
25 the costs of performing that review.

26 NEW SECTION. **Sec. 16.** The energy office may adopt rules to
27 implement sections 4 through 6, 11, and 14 of this act.

1 NEW SECTION. **Sec. 17.** Sections 3 through 12 and 16 of this act
2 shall constitute a new chapter in Title 39 RCW.

3 NEW SECTION. **Sec. 18.** 1982 c 159 s 6 (uncodified) is hereby
4 repealed.

5 NEW SECTION. **Sec. 19.** This act shall be construed liberally to
6 effectuate its purpose.

7 NEW SECTION. **Sec. 20.** If any provision of this act or its
8 application to any person or circumstance is held invalid, the
9 remainder of the act or the application of the provision to other
10 persons or circumstances is not affected.