

SB 448-FN - AS AMENDED BY THE SENATE

03/17/2022 1061s

2022 SESSION

22-3063

12/11

SENATE BILL

448-FN

AN ACT

relative to energy reduction by state agencies.

SPONSORS:

Sen. Watters, Dist 4; Sen. Avar, Dist 12; Sen. Whitley, Dist 15; Sen. Kahn, Dist 10; Sen. Sherman, Dist 24; Sen. Rosenwald, Dist 13; Sen. Perkins Kwoka, Dist 21; Sen. Prentiss, Dist 5; Rep. Meuse, Rock. 29; Rep. P. Schmidt, Straf. 19

COMMITTEE:

Energy and Natural Resources

AMENDED ANALYSIS

This bill requires a reduction in fossil fuel emissions by state owned facilities and encourages the use of electric vehicles by state agencies.

Explanation:

Matter added to current law appears in ***bold italics***.

Matter removed from current law appears ~~[in brackets and struckthrough.]~~

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Two

AN ACT relative to energy reduction by state agencies.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 Findings. The general court finds:

I. The state government energy committee as established under executive order 2016-03 was created to provide guidance regarding energy management in state buildings and fleets.

II. The state government, following a series of executive orders beginning in 2004, has engaged in energy efficiency, energy procurement, and renewable energy projects, which collectively avoided nearly \$50,000,000 in energy costs since 2009.

III. Continued innovations in energy technologies offer additional opportunities to avoid even more energy costs in the building and fleets offering a direct benefit to New Hampshire taxpayers.

2 Department of Administrative Services; Energy Consumption Reduction Goal. Amend RSA 21-I:14-c, II-III to read as follows:

21-I:14-c Energy Consumption Reduction Goal; Reports.

II. ~~[Beginning in calendar year 2016, each]~~ **Each** state department shall submit an annual report to the commissioner of administrative services on or before October 15 which details any cost-effective measures it is utilizing and those potential measures, subject to budgetary approval, to comply with the energy consumption reduction goal established in paragraph I and its annual progress in complying with this goal.

III. ~~[Beginning in calendar year 2016,]~~ **Each year**, the commissioner shall submit an annual report to ***the governor, the senate president, the speaker of the house of representatives, the chair of the senate energy and natural resources committee, the chair of the house science, technology and energy committee, and the chair of the air pollution advisory committee*** ~~and [be made]~~ ***make the report*** available to the public on or before January 15, compiling:

(a) ~~[the]~~ **The** annual reports submitted under paragraph II~~[-with]~~.

(b) **The** findings on the ~~[departments']~~ **state's** annual progress in complying with the energy consumption reduction goal established in paragraph I and problems which may prevent the ~~[departments]~~ **state** from achieving this goal~~[-to the governor, the senate president, the speaker of the house of representatives, the chair of the senate energy and natural resources committee and the chair of the house science, technology and energy committee]~~ **and outcomes**.

3 Energy Efficiency Measures in State Facilities; State Policy. RSA 21-I:19-a is repealed and reenacted to read as follows:

21-I:19-a Energy Measures; State Policy.

I. It shall be the policy of the state of New Hampshire to prioritize public health and environmental quality, while maximizing economic benefits through the use of economical energy measures including, but not limited to, energy conservation, energy efficiency, strategic electrification, fuel switching, cogeneration, renewable energy, and energy storage in the construction, renovation, operation, and maintenance of properties owned or leased by the state, and the purchase and leasing of vehicles. Further, it shall be the policy of the state to encourage municipalities to incorporate such measures into their properties and fleets to the greatest extent possible.

II. The state of New Hampshire shall pursue reductions in energy consumptions and energy costs as outlined in Executive Order 2016-03 and subsequent executive orders, and shall maximize avoided energy costs in its buildings and fleets.

III. The department of administrative services, and all other departments and agencies, shall consider energy measures including, but not limited to energy conservation, energy efficiency, strategic electrification, fuel switching, cogeneration, renewable energy, energy storage, and the energy life cycle costs as significant criteria in its construction, renovation, operation, and purchasing and leasing decisions.

4 Use of State Owned Vehicles; Definitions. RSA 21-I:19-g, III-a is repealed and reenacted to read as follows:

III-a. In this section:

(a) "Light duty truck" means a land vehicle which has a gross vehicle weight rating of up to 10,000 pounds and which does not fall within the definition of a passenger vehicle as defined in subparagraph (b).

(b) "Passenger vehicle" means a land vehicle that is defined by the department of administrative services' fleet manager as a passenger sedan, sports activity vehicle, sports utility vehicle, cross-over vehicle, or station wagon.

5 Fleet Efficiency and Redistribution; Definition. RSA 21-I:19-i, II(b) is repealed and reenacted to read as follows:

(b) "Motor vehicle" means a passenger vehicle or light duty truck as defined by RSA 21-I:19-g, III-a.

6 New Section; Fleet Efficiency; Zero Emissions. Amend RSA 21-I by inserting after section 19-j the following new section:

21-I:19-k Zero Emissions.

I. The intent of this section is that all state purchased and leased vehicles be the lowest emission vehicles available, to the extent feasible, practicable, and cost effective based on total cost of ownership, exclusive of the cost of electric vehicle supply equipment, using projected actual ownership time and miles driven per year. Consideration shall be given to purchasing such vehicles from New Hampshire dealerships that sell and service electric vehicles.

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1 II. In this section, the terms

2 (a) "Agency" means "agency" as defined by RSA 21-G:5, III.

3 (b) "Zero emissions vehicle" or "ZEV" means a vehicle that emits no exhaust gas from the
4 on-board source of power, such as an electric vehicle powered solely by a battery or by the use of a
5 hydrogen fuel cell.

6 III. Notwithstanding any provision in RSA 21-I:19-i, the department of administrative
7 services shall establish procedures to ensure that to the maximum extent feasible, and consistent
8 with the ability of vehicles to perform their intended functions, all state purchased and leased
9 vehicles are the lowest emission vehicles available. State agencies shall purchase said vehicles in
10 the normal course of vehicle replacement or addition to their fleets, subject to the review of the state
11 fleet manager. These plans shall not be subject to the rulemaking requirements of RSA 541-A, but
12 shall be binding on all state officials and state agencies.

13 IV. As soon as is feasible and cost effective, all new leases or purchases of light duty trucks
14 or passenger vehicles as defined in RSA 21-I:19-g shall be ZEVs, and as soon as is feasible and cost
15 effective, all new leases or purchases of trucks and other vehicles in excess of 10,000 pounds in
16 weight shall be ZEVs.

17 V. Any agency that purchases, leases, or otherwise acquires or currently operates a motor
18 vehicle shall develop a plan to transition its vehicles to ZEVs, to the extent feasible. Agencies shall
19 consult with the state fleet manager in developing feasibility plans and said plans shall only be
20 adopted with the review of the state government energy committee. Transition plans shall be
21 developed by all agencies for submission to the department of administrative services by October 15,
22 2023 and revised and submitted every 2 years thereafter until all of the state's motor vehicles are
23 ZEVs, if feasible and cost effective. Such plans shall be predicated upon the adequacy of funding and
24 shall take the existence of adequate funding into account. If ZEV vehicles are not determined to be a
25 feasible option for a particular vehicle acquisition, or for a class of vehicles intended for use by
26 emergency response agencies, then the lowest emission vehicle available that is suitable for that
27 purpose may be considered. Agencies shall include funding for this program each biennium in
28 requests for funding in the general court and the capital budget. Funding for electric vehicle supply
29 equipment shall be provided, in part, from the Volkswagen settlement, and from federal
30 appropriations and grants.

31 VI.(a) The state fleet manager, in consultation with the department of energy, shall consult
32 with agencies in developing plans to transition such agency vehicles to ZEVs to the extent feasible
33 for particular vehicles and classes. The fleet manager shall identify in such plans the cost of electric
34 vehicle supply equipment, and develop a comprehensive plan and cost analysis for this
35 infrastructure. The state fleet manager shall, in coordination the department of environmental
36 services, the department of transportation, and the department of energy, plan and develop electric
37 vehicle supply equipment sites for state vehicles.

1 (b) Within 90 days of receiving an agency plan to transition the state fleet manager shall
2 review such plans for compliance with this section prior to their adoption by an agency. The
3 submitting agency or department shall revise and resubmit such plan as advised by the fleet
4 manager.

5 7 Effective Date. This act shall take effect 60 days after its passage.

**SB 448-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT requiring the reduction of fossil fuel use across state facilities and establishing a state government energy committee.

FISCAL IMPACT: ☒ State ☐ County ☐ Local ☐ None

STATE:	Estimated Increase / (Decrease)			
	FY 2022	FY 2023	FY 2024	FY 2025
Appropriation	\$0	\$0	\$0	\$0
Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Indeterminable Funding Source:	<input checked="" type="checkbox"/> General <input type="checkbox"/> Education <input checked="" type="checkbox"/> Highway <input checked="" type="checkbox"/> Other - Various Government Funds, VW Settlement Funds, Federal Funds			

The Department of Energy was originally contacted on 12/2/21 for a fiscal note worksheet, which they have not provided as of 12/28/21.

METHODOLOGY:

This bill requires a reduction in fossil fuel emissions by state owned facilities, establishes the state government energy committee within the department of energy to advise the state energy manager on how to improve the energy efficiency of state property, and encourages the use of electric vehicles by state agencies.

The Department of Administrative Services provided the following information concerning sections 2,3,4 and 7 of the bill:

- Regarding section 2, State agencies currently submit annual reports to the Department. The proposed language slightly alters the content and process for those reports, but will not result in additional work or costs for the Department.
- Regarding section 3 and its reference to future executive orders; it is impossible to predict what might be included in future executive orders or the impact on state funds.
- Regarding section 4, there would be no fiscal impact because the State Government Energy Committee was created in 2016 by executive order and currently exists.
- Regarding section 7, the requirement that State Energy Manager be consulted on installation of Electric Vehicle (EV) charging equipment; the frequency of installations is predicted to escalate, however, the expectation is that the facility owner/manager would

oversee the installation of equipment. The State Energy Manager would consult on the tracking of the energy used to ensure it is not included in any associated building's energy use.

The Department indicates these sections of the bill would result in an increase in the workload of the State Energy Manager and his/her staff, however the fiscal impact of such increase is indeterminable.

For the remainder of the bill, which concerns future management of the State's fleet of motor vehicles, the Department provided the following information and assumptions:

- There would be no impact on state, county, or local revenues.
- "Motor Vehicles" includes automobiles, trucks, vans, and buses but not heavy construction equipment, boats, ATVs, snow machines, or other motor vehicles not primarily operated for travel on roads and highways.
- State agencies required to submit plans by October 15, 2023 under the proposed bill will be able to do so utilizing existing staffing and resources.
- Capital expenditures could arise in FY 2023 as the first new electric vehicle (EV) charging infrastructure sites begin to be developed, and the first agency EV purchases or leases could also begin in FY 2023.
- New Zero Emission Vehicles will be EVs because there is currently insufficient hydrogen fuel cell vehicle inventory or refueling infrastructure pricing available from which to derive cost estimates.
- State expenditures resulting from the bill would fall into the following categories:
 - o The incremental cost to replace existing vehicles with a comparable EV.
 - o EV charging infrastructure site development and installation costs,
 - o EV maintenance equipment, tools and training costs for in-house motor vehicle maintenance functions currently existing within seven State agencies,
 - o EV replacement costs. EVs and EV charging equipment are evolving at a fast pace resulting in a more rapid rate of obsolescence than with internal combustion engine vehicles and fueling technology. This would necessitate more frequent upgrades or replacements than is the state's current practice with regard to its existing vehicles.

The Department expects state expenditures would increase beginning in FY 2023, however the amount of such increase cannot be determined because:

- It is not possible to predict how or when agencies will begin to convert their fleets to EVs or when such conversions will become feasible or cost effective.

- The number of required EV charging sites is unknown. The Department estimates the cost of a charging site would range from \$96,000 to \$437,000 depending on the site and type of charger installed .
- Pricing information is not currently available for most classes of EVs that would be needed to convert the State's fleet of motor vehicles, many of which are not yet in commercial production.
- The Department does not have information on current EV charging site cost figures, cost information on EV maintenance equipment or tools, or information on the frequency at which EVs and EV charging equipment will need to be upgraded or replaced due to obsolescence.
- There would be a substantial increase in responsibilities for the State fleet manager, however the Department does not have sufficient information to predict whether the additional duties will require additional staff.

It is assumed that any fiscal impact would occur after FY 2022.

AGENCIES CONTACTED:

Departments of Administrative Services and Energy