

COMMITTEE ON ENERGY

December 12, 2007

8:00 am

404 House Office Building



The Florida House of Representatives

Environment & Natural Resources Council

Committee on Energy

Marco Rubio
Speaker

Paige Kreegel
Chair

AGENDA

COMMITTEE ON ENERGY

404 HOUSE OFFICE BUILDING

December 12, 2007

8:00 AM – 9:45 AM

I. CALL TO ORDER AND OPENING REMARKS - Chair Kreegel

II. PRESENTATIONS

Guaranteed Energy Performance Savings Contracting Program

Dean Izzo, Director, Division of Real Estate Development & Management,
Department of Management Services

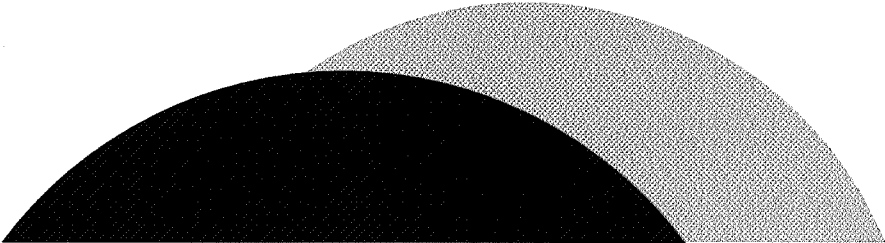
Doug Darling, Director, Division of Accounting and Auditing, Department of
Financial Services

Implementation of Executive Order 07-126 relating to “Establishing Climate Change Leadership by Example: Immediate Actions to Reduce Greenhouse Gas Emissions from Florida State Government.”

Dean Izzo, Director, Division of Real Estate Development & Management,
Department of Management Services

III. CLOSING REMARKS - Chair Kreegel

IV. ADJOURNMENT



Guaranteed Energy Performing Savings Contracting

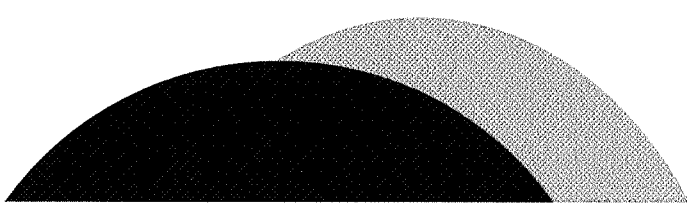
Committee on Energy
Environment & Natural Resources Council

Prepared by the Department of Management Services and Department of Financial
Services and presented on 12/12/07



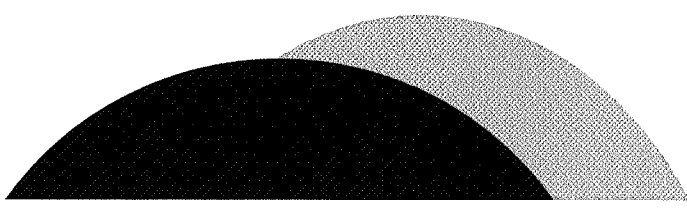
Agenda

- Purpose
- History
- Program Components
- Program Status
- Process Improvements
- Next Steps



Purpose

- Invest in energy conservation measures that reduce energy consumption and produce cost savings
- Implemented under Chapter 489.145 F.S.
- Provides another mechanism for Agencies to fund energy related capital improvements



History

- 2001 - Added Guarantee and specified Performance and Conservation measures
- 2002 - DMS entered into a State Term Contract with 7 Guaranteed Energy Savings Contractors (ESCOs)
- 2007 - Proposed Law Change HB7123



Program Components

- Investment Grade Audit
- ESCO's Written guarantee for energy cost savings
- Contract with Agency
- Finance Agreement
- Measurement and Verification



Program Status

- New State Term Contract awarded
December 2007 to 10 ESCOs
- 5 Audits in Progress
- 2 Audits in Review by DMS
- 1 Contracts in Negotiation
- 5 Contracts Approved

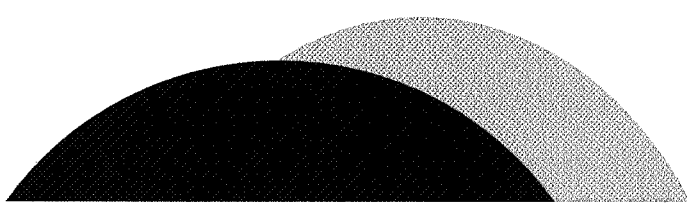


Process Improvements

- **Emphasized Agency involvement**
- **Defined DMS and DFS roles and responsibilities**
- **Formalized a Process**
 - **Defined Project Selection**
 - **Clarified DMS Requirements for Investment Grade Audit**
 - **Clarified DFS Requirements for Contract and Financing**
- **Established targets for DMS and DFS review periods**

Next Steps

- **Workshop and Training for Agencies**
- **Legislative Program Enhancements for 2008**
 - **Leverage CEFP Financing**
 - **Excerpts from HB7123**
 - **Emphasize Energy related Operational Savings**
 - **Provided further guidelines for program**
- **Compliments other Energy Conservation efforts (Executive Order 07 -126)**



Questions?

- Dean Izzo, Director
Real Estate Development and
Management
Department of Management Services
- Doug Darling, Director
Accounting and Auditing
Department of Financial Services

STATE OF FLORIDA

OFFICE OF THE GOVERNOR EXECUTIVE ORDER NUMBER 07-126

Establishing Climate Change Leadership by Example: Immediate Actions to Reduce Greenhouse Gas Emissions from Florida State Government

WHEREAS, with nearly 1,350 miles of coastline and a majority of citizens living near that coastline, Florida is more vulnerable to rising ocean levels and violent weather than any other state; and

WHEREAS, global climate change is one of the most important issues facing the State of Florida this century; and

WHEREAS, Florida has committed to becoming a leader in reducing emissions of greenhouse gases which are changing Earth's climate; and

WHEREAS, immediate actions are available and required to reduce emissions of greenhouse gases within Florida; and

WHEREAS, Florida's state government is the largest employer within the State of Florida with 114,756 authorized employees, more than \$1 billion in annual commodity purchases, and 16.8 million square feet of office space statewide; and

WHEREAS, Florida's state government must lead by example in the fight against global climate change by reducing emissions of greenhouse gases and demonstrating the economic value of such reductions; and

WHEREAS, reductions in carbon emissions associated with state government operations will result in returns to the taxpayers of Florida through reduced energy costs; and

WHEREAS, such savings can fund strategic investments elsewhere in Florida's economy that further reduce emissions of greenhouse gases while boosting green industries in Florida.

NOW, THEREFORE, I, CHARLIE CRIST, as Governor of Florida, in obedience to my solemn constitutional duty to take care that the laws be faithfully executed, and pursuant to the Constitution and laws of the State of Florida, do hereby promulgate the following Executive Order, to take immediate effect:

Section 1. I hereby establish greenhouse gas emission reduction targets for state agencies and departments under the direction of the Governor as follows: a 10 percent reduction from current emission levels by 2012, a 25 percent reduction from current emission levels by 2017, and a 40 percent reduction from current emission levels by 2025.

Section 2. The Executive Office of the Governor shall track and report the resulting financial savings and emission reductions associated with this Executive Order with a Florida Governmental Carbon Scorecard. All state agencies and departments under the direction of the Governor are hereby directed to designate an individual responsible for coordinating implementation.

Section 3. I hereby direct the following actions to improve the climate performance of state government facilities:

1. Each state agency and department under the direction of the Governor is hereby directed to conduct an immediate assessment of energy used by agency facilities during FY 2006-2007 and to quantify the associated greenhouse gas emissions using the GHG Protocol Corporate Standard templates as developed by the World Business Council for Sustainable Development. The baseline assessment will be posted on Florida's Governmental Carbon Scorecard no later than October 1, 2007 and updated quarterly;
2. The Department of Management Services shall adopt the United States Green Building Council's Leadership in Energy and Environmental Design for New Construction (LEED-NC) standards for all new buildings. The Department is directed to strive for Platinum Level certification, the highest possible certification, for any new building constructed for or by the State of Florida;

3. The Department of Management Services shall immediately implement the United States Green Building Council's Leadership in Energy and Environmental Design for Existing Buildings (LEED-EB) for all buildings currently owned and operated by the Department on behalf of client agencies. The Department may prioritize implementation of LEED-EB standards in order to gain the greatest environmental benefit within the Department's existing budget for property management;
4. All state agencies and departments under the direction of the Governor are hereby precluded from entering into new leasing agreements for office space that does not meet Energy Star building standards, except when certified by the responsible agency head that no other viable alternative exists.
5. The Department of Management Services is hereby directed to develop energy conservation measures and guidelines for new and existing office space where state agencies occupy more than 20,000 square feet. These conservation measures shall focus on programs that may reduce energy consumption and when established, provide a net reduction in occupancy costs. The Department shall develop and implement a model solar project for state-owned office buildings for future expansion.

Section 4. I hereby direct the following actions to improve the climate performance of state government procurement practices:

1. The Council for Efficient Government shall incorporate energy consumption and greenhouse gas emissions as performance criteria for all business cases evaluated by the Council in determining whether outsourcing projects are fiscally prudent for the State of Florida;
2. The Department of Management Services shall develop the "Florida Climate Friendly Preferred Products List." In developing the recommended list, the Department shall assess products currently available for purchase under State Term Contracts to identify specific products and vendors that have clear energy efficiency or other environmental benefit over competing products. The proposed list shall be provided to the Governor's Office no later than October 1, 2007;
3. Effective January 1, 2008 state agencies and departments under the direction of the Governor may not contract for meeting and conference space with hotels or conference facilities that have not received the DEP "Green Lodging" certification for best practices in water, energy, and waste efficiency standards, except when certified to the Governor by the responsible agency head that no other viable alternative exists..
4. The Department of Management Services, with assistance from the Department of Environmental Protection, shall develop bid criteria for the 2009 State Term Contract for Rental Vehicles that incorporate best possible energy efficiency and environmental performance. The Department shall seek to negotiate with the current vendor(s) to amend the contract(s) to incorporate these efficiencies.

Section 5. I hereby direct the following actions to improve the climate performance of state government fleets:

1. Each state agency and department under the direction of the Governor shall conduct an immediate assessment of transportation-related energy use and greenhouse gas emissions associated with agency operations. The assessment must include an analysis of the average fuel economy of each agency's automobiles and light trucks, by vehicle class. The results of this baseline assessment shall be posted on Florida's Governmental Carbon Scorecard, by agency, no later than October 1, 2007 and updated quarterly.
2. Each state agency and department under the direction of the Governor shall assure that within 30 days from the date of this order, all vehicles are meeting minimum maintenance schedules shown to reduce fuel consumption which includes assuring appropriate tire pressures and tread; fuel filters and emission filters replaced at recommended intervals; proper motor oil; and timely motor tune-ups. The Department of Management Services shall measure and report compliance with this directive through the Equipment Management Information System database and reported to the Executive Office of the Governor on a semi-annual basis thereafter.
3. When procuring new vehicles, the Department of Management Services, through all state agencies and departments under the direction of the Governor, is directed to approve only those vehicles with the greatest fuel

efficiency in a given class as required for that vehicle to minimize emissions of greenhouse gases. The Department shall consider any specific circumstances of law enforcement agencies in processing vehicle purchases and leasing agreements.

4. All state agencies and departments under the direction of the Governor shall use ethanol and biodiesel fuels when locally available. The Department of Management Services shall assess biofuel fueling potential by state government vehicles within each metropolitan statistical area to demonstrate demand for biofuels to industry. Agencies administering central fueling operations for state-owned vehicles are directed to procure biofuels for fleet needs to the greatest extent practicable.
5. The Department of Management Services, with assistance from the Department of Environmental Protection, shall document the extent of all alternative motor vehicle fueling facilities used by state government vehicles, including but not limited to hydrogen, compressed natural gas, biofuels, and electrically-charged batteries to determine the feasibility of opening current alternative fueling facilities to private sector fleets and the general public or developing such facilities in the future to increase public access to alternative vehicle fuels. The alternative motor vehicle fueling facility inventory shall be transmitted to the Governor's Office no later than October 1, 2007;

Section 6. The Department of Agriculture and Consumer Services, the Department of Financial Services, the Office of the Attorney General, all Governor and Cabinet agencies, the Florida Senate, the Florida House of Representatives, the Florida State Court System, the State University System, the Community College System, and other agencies of the state and commissions not under the jurisdiction of the Governor are encouraged to implement these and other actions to reduce State Government's overall emissions of greenhouse gases.

Section 7. All state agencies and departments under the direction of the Governor are hereby directed, and all other state agencies are hereby requested, to assist those carrying out the directions in this Executive Order.

IN TESTIMONY WHEREOF, I have hereunto set my hand and have caused the Great Seal of the State of Florida to be affixed at Miami, this 13th day of July, 2007.



GOVERNOR

ATTEST:

SECRETARY OF STATE

2007 JUL 13 PM 6:34
OFFICE OF THE ATTORNEY GENERAL
TALLAHASSEE, FLORIDA