2019 Lead-by-Example Workshop

Innovative Financing Solutions For State Building Energy Strategies

Day 1: October 3, 2019
Welcome and NGA Updates

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The EIE Division Mission and Vision

MISSION

Provide governors state-based energy, environment and infrastructure solutions that enhance and impact quality of life through economic development, mobility, sustainability, resiliency, health and safety.

VISION

To be the leading policy resource for solutions to governors’ Energy, Water, Transportation, Resilience, Climate and Connectivity Challenges.
ENERGY, INFRASTRUCTURE & ENVIRONMENT PRIORITY AREAS

- Connectivity
- Resilience & Security
- Outdoor Recreation
- Energy
- Water
- Transportation
- Defense Waste
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*PROJECT AREAS - 2019*
The National Governors Association is hosting this Lead-by-Example (LBE) workshop to help support Governors’ initiatives to reduce energy consumption and expenses in public buildings, enhance the use of renewable energy, and improve facility resilience.

Energy use at state government facilities accounts for ~10% of a typical government’s annual operating budget (U.S. EPA).
Lead-by-Example Key 101 Topic Areas

• **Setting Statewide Targets** - establishing energy reduction targets for state buildings typically as a percentage reduction over a baseline year’s energy consumption and/or renewable energy targets

• **Benchmarking** - measuring energy consumption, including reductions in energy use from energy efficiency measures in state buildings

• **Financing** - certain options are available to finance energy efficiency improvements or renewable energy projects in public buildings; options include loans, bonds, tax-exempt leases, and service contracts (Energy Savings Performance Contracts and Energy-as-a-Service)
State Highlights: Recent Lead-by-Example Actions

- **Michigan, August 2019:** Governor Whitmer announced new LBE efforts focused on three areas -
  - Develop and implement best practices for sustainability in state facilities, including a pilot program to complete energy audits in the departments of Corrections, Health and Human Services, Natural Resources, and Transportation
  - Department of Natural Resources converting State parks and fish hatcheries to renewable energy
  - Department of Corrections working toward green prisons
- **Connecticut, April 2019:** Governor Lamont’s first executive order, EO No. 1, adopted a “LBE 2.0” initiative aimed at reducing the state’s carbon footprint and reducing the cost of government operations.
State Highlights: Recent Lead-by-Example Actions

- **New Mexico, April 2019**: Governor Lujan Grisham signed EO 2019-03, a broad package of climate change related initiatives, including some LBE items; it’s being led through a $32 million General Services Department project that will equip buildings with solar power, install lighting upgrades, improve heating and air conditioning systems, and other energy-efficiency work on 29 buildings.

- **Virginia, November 2018**: Governor Northam issued EO 24 that lays out steps for the State to lead by example and ensure its facilities and holdings are resilient.

- **Other states with recent governor’s EOs that set Lead-by-Example goals**: MD, NC, NY, PA, WA, and more....
State Financing Options & Trends

• Trends: “green” financing, several cities and the federal government considering bundled service pilot programs (Energy-As-A-Service)

• September 2018: The State Treasurers of California, New Mexico and Rhode Island sign the “Green Bond Pledge,” a declaration that all bonds financing long-term infrastructure and capital projects need to address environmental impacts and climate risk.

• Hawaii, July 2018: The Governor signed Act 121 into law to create a subfund and convert $50.0 million of Green Energy Market Securitization (GEMS) Program funds into a Revolving Line of Credit for any state agency or department to finance cost-effective commercial energy efficiency measures
State Introductions: Lead-by-Example Priorities

• Meeting participants will have 1 minute each to share highlights from state lead-by-example activities and upcoming priorities for their governors