

Day 1: October 3, 2019

2019 Lead-by-Example Workshop

# Innovative Financing Solutions For State Building Energy Strategies

# Welcome and NGA Updates

- Jessica Rackley, Program Director, Energy, Infrastructure and Environment Division, NGA
- Dan Lauf, Program Director, Energy, Infrastructure and Environment Division, NGA



# 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  
Division  
Leadership  
Team**



**Sue Gander**

Division Director



**Garrett Eucalitto**

Program Director



**Dan Lauf**

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# Senior Policy Analysts

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Matthew Rogotzke



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Timothy Schoonhoven

# Program Support



David Peters



Ryan Wiegand – CMU Apprentice



Nathan Webb – PT Intern

# ENERGY, INFRASTRUCTURE & ENVIRONMENT PRIORITY AREAS



**CONNECTIVITY**



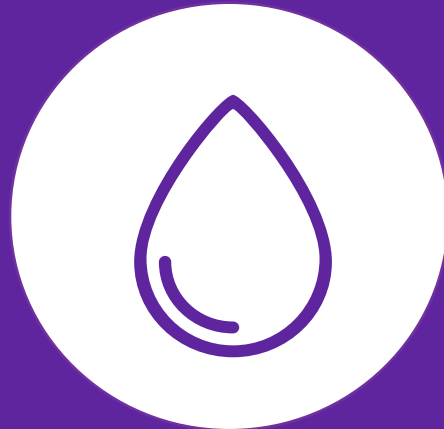
**RESILIENCE & SECURITY**



**OUTDOOR RECREATION**



**ENERGY**



**WATER**



**TRANSPORTATION**



**DEFENSE WASTE**

# Energy, Environment & Infrastructure PROJECT AREAS - 2019

## ENERGY

Energy Policy Institute  
Energy Efficiency Roadmap for Governors  
Grid Modernization Retreats  
Lead By Example Workshop  
Global Energy Solutions Summit

## WATER

Water Policy Institute  
Webinar Series  
Delaware River Basin Retreats

## TRANSPORTATION

Traffic Safety Learning Labs  
Electric Vehicle (EV) Regional Workshops  
Innovation Workshop  
Transportation Policy Institute

## RESILIENCY & SECURITY

Grid Emergency Exercises  
State Energy Risk Assessment & Planning  
Tool & Retreat Follow Up  
State/Utility Coordination Workshop  
Housing Resiliency Roundtable & Paper

## CONNECTIVITY

Smart States Roadmap  
Smarter States Super Cluster  
Smarter States W

## NUCLEAR WEAPONS WASTE

Federal Facilities Task Force Meeting  
Intergovernmental Meeting  
Governors Guide to Nuclear Weapons  
Waste Cleanup

## SUPPORT FOR NEW GOVS

Boot Camps and Webinars  
Energy Advisors  
Transportation Advisors  
Water Advisors  
Governors Guide to Energy Policy

## TECHNICAL ASSISTANCE ON DEMAND

Research  
Policy Memos  
Consultations

# Lead-by-Example Introduction

- 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).



Helen Sommers Building on Washington's Capitol Campus in Olympia has earned LEED Platinum certification; it's within the top 1 percent of office buildings nationwide in energy efficiency



# 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.

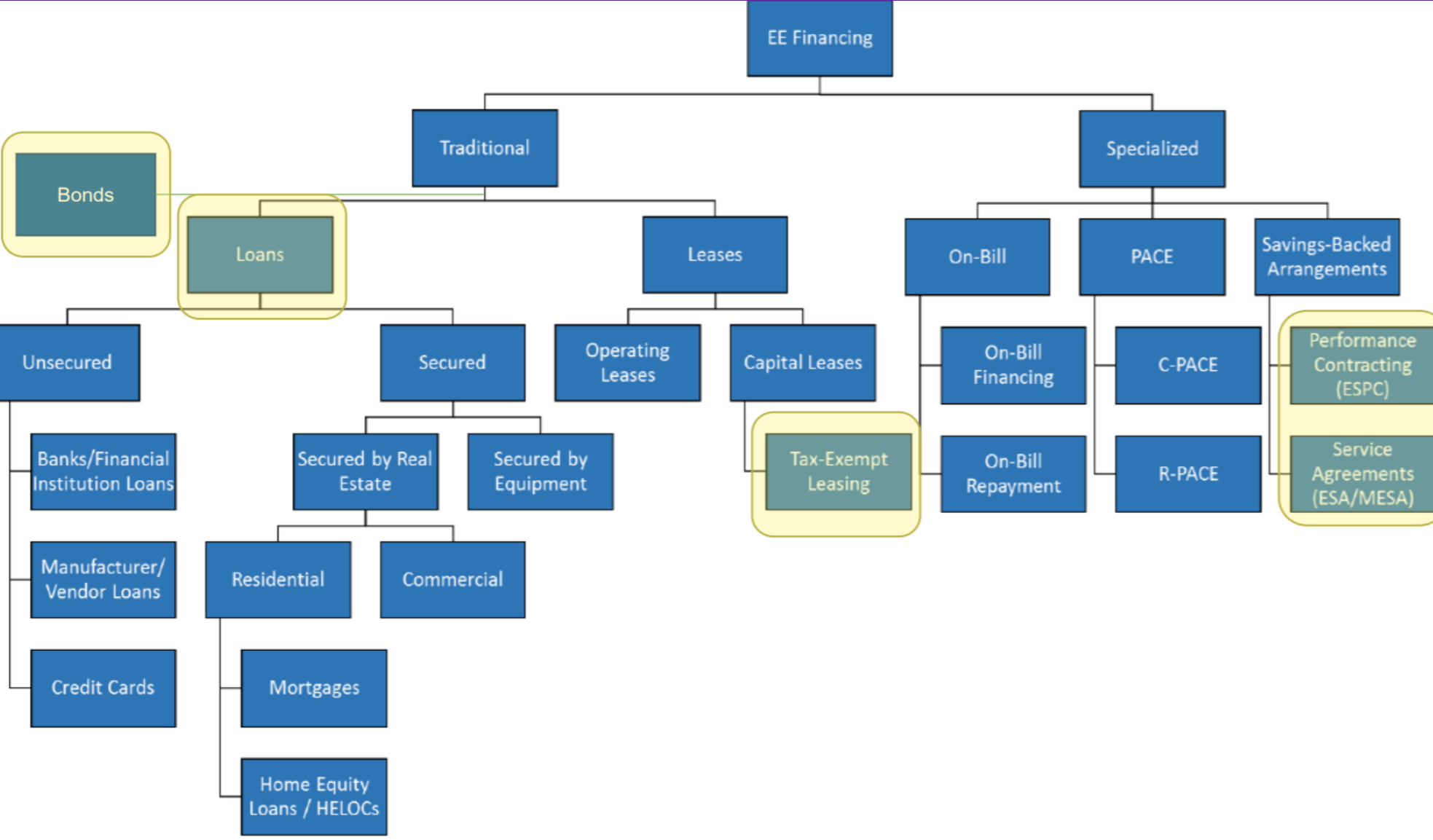


# State Highlights: Recent Lead-by-Example Actions

- **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....**



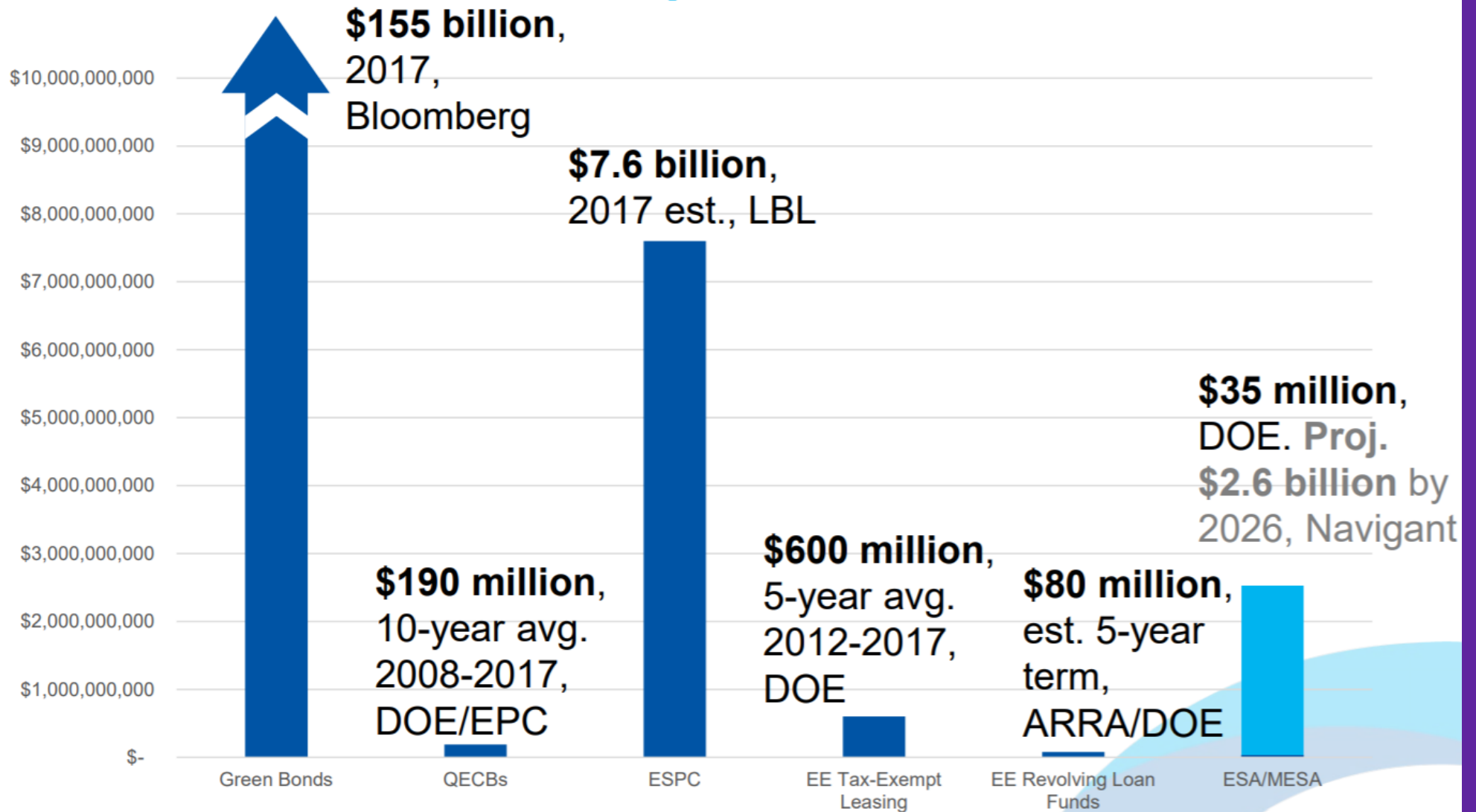
# Financing Options for State Buildings



Leventis: 2016, <https://eta.lbl.gov/sites/all/files/publications/lbni-1006406.pdf>



# Market Sizes Compared



Source: Cadmus, 2018



# 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 sub-fund 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

