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Secretary

MARYLAND DEPARTMENT OF GENERAL SERVICES
OFFICE OF THE SECRETARY

BILL: **House Bill 662** - Department of General Services
Energy Consumption Goals and Energy Performance Contracts

COMMITTEE: Senate Education, Health & Environmental Affairs

DATE: March 16, 2020

POSITION: Support

House Bill 662 –Department of General Services – Energy Consumption Goals and Energy Performance Contracts would require agencies that are pursuing an energy performance contract (EPC) to consult with the Department of General Services (DGS) during project development and for DGS to review annual Measurement and Verification reports. Measurement and Verification (M&V) is the process of planning, measuring, collecting and analyzing data for the purpose of verifying and reporting energy savings within an individual facility resulting from the implementation of energy conservation measures.

The State of Maryland was an early proponent of the EPC concept, and has engaged in dozens of projects since the mid 1990's. Approximately one third to one half of the EPCs undertaken by the State have been managed by the agencies themselves, with varying degrees of success. EPCs are complicated, multimillion dollar, long-term projects that are not like traditional construction projects. The contracts last 15 years, and include full term maintenance and an annual energy savings guarantee evaluated through an annual measurement and verification report. Designing and managing a successful EPC project requires experience and expertise. The DGS Energy Office will assist in developing the scope of projects before approval by the Board of Public Works and will bring a level of professionalism and consistency to the program.

House Bill 662 is in accordance with Executive Order No. 01.01.2019.08, June 25, 2019, Energy Savings Goals for State Government and provides for a goal to save 10% of energy in State-owned buildings by 2029, based on a fiscal year 2018 energy baseline. This new goal will invigorate efforts by agencies to achieve energy and budgetary savings.

For additional information, contact Ellen Robertson at 410-260-2908.

