**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING CHAPTER 13 TO TITLE 10 SO AS TO PROVIDE THAT GOVERNMENTAL IMPROVEMENT PROJECTS, CONSTRUCTION PROJECTS, RENOVATION PROJECTS, OR IMPROVEMENTS TO REAL PROPERTY SHALL COMPLY WITH CERTAIN ENERGY STANDARDS; TO AMEND SECTION 48‑52‑620, RELATING TO THE REQUIREMENT THAT STATE AGENCIES AND SCHOOL DISTRICTS SUBMIT ENERGY CONSERVATION PLANS, SO AS TO ESTABLISH NEW METERING REQUIREMENTS; AND TO REPEAL ARTICLE 8, CHAPTER 52, TITLE 48 RELATING TO THE ENERGY INDEPENDENCE AND SUSTAINABLE CONSTRUCTION ACT OF 2007.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Title 10 of the 1976 Code is amended by adding:

“CHAPTER 13

Public Building Energy Standards

Section 10‑13‑10. The public policy of South Carolina is to promote the cost effective design and construction of high‑performance buildings and maintain reasonable and consistent standards of construction in order to promote and protect the health, safety, and welfare of its citizens.

Section 10‑13‑20. As used in this article:

(1) ‘Building project’ means the design, construction, renovation, and maintenance of an inhabited physical structure and its associated project building site.

(2) ‘Commercial interior fit‑out’ means an interior design installed by the owners or tenants of new or existing office space, typically exclusive of structural components and core and shell elements.

(3) ‘Governmental body’ means a state agency, department, commission, council, board, bureau, committee, institution, college, university, technical school, governmental corporation, or other establishment of the executive or judicial branch. Governmental body excludes the General Assembly or its respective branches or its committees, the Legislative Audit Council, the Legislative Council, the Legislative Services Agency, and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts, or any entity created by act of the General Assembly for the purpose of erecting monuments or memorials or commissioning art that is being procured exclusively by private funds.

(4) ‘Green globes rating system’ means the energy and environmental building rating system established by the Green Building Initiative.

(5) ‘High‑performance building’ means a building designed to achieve integrated systems design and construction so as to significantly reduce or eliminate the negative impact of the building on the environment.

(6) ‘LEED rating system’ means the energy and environmental building rating system established by the United States Green Building Council.

(7)(a) ‘Major facility project’ means a state‑funded project‑owned or occupied by a governmental body that is a:

(i) new construction building project in which the building to be constructed is larger than ten thousand gross square feet;

(ii) renovation project of or within a building larger than ten thousand gross square feet, in which the project involves more than fifty percent of the replacement value of the facility or a change in occupancy; or

(iii) commercial interior tenant fit‑out project larger than ten thousand square feet of leasable area.

(b) This term does not include a:

(i) building, regardless of size, that does not have conditioned space as defined by Standard 90.1 of the American Society of Heating, Refrigerating and Air Conditioning Engineers (ASHRAE);

(ii) public school as defined in Section 59‑1‑120;

(iii) correctional facility constructed for the Department of Corrections, Department of Mental Health, or Department of Juvenile Justice;

(iv) building project funded by the State Ports Authority, the Coordinating Council for Economic Development, or the State Infrastructure Bank; or

(v) building project funded by the Department of Health and Environmental Control in which the primary purpose of the building project is for the storage of archived documents.

(8) ‘Office of the State Engineer’ means the office established pursuant to Section 11‑35‑830.

(9) ‘Project’ means, unless the context suggests otherwise, a permanent improvement project, construction project, renovation project, or an improvement to real property.

(10) ‘Renovation project’ means a building project involving the modification or adaptive reuse of an existing facility.

(11) ‘State engineer’ means the person holding the position as head of the Office of State Engineer.

(12) ‘Third‑party commissioning agent’ means a person who will analyze, evaluate, and confirm the proper function and performance of a high‑performance building, its systems, equipment, and indoor air quality.

Section 10‑13‑30. A governmental body shall comply with the applicable standards and specifications set forth in the nationally recognized codes and standards adopted by the South Carolina Building Codes Council pursuant to Chapter 9, Title 6, and nationally recognized energy codes and standards adopted by the State Engineer pursuant to this article. With the exception of buildings owned or constructed by the State Ports Authority or South Carolina Public Service Authority, the State Engineer shall determine the enforcement and interpretation of the aforementioned codes and referenced standards on state projects or property. Any interested local officials may submit comments related to projects through the State Engineer, however the comment period may not delay construction or delay or deny water, sewer, power, other utilities, or firefighting services. By publication in the Manual for Planning and Execution of State Permanent Improvements, the Office of the State Engineer may adopt administrative procedures for the application and enforcement of the aforementioned codes. Agencies may appeal to the Director of Procurement Services regarding the application of these codes to state buildings.

Section 10‑13‑40. (A) A major facility project must be designed and constructed using high‑performance building standards set forth in one or more of the following:

(1) the latest edition of the International Green Construction Code compatible with the nationally recognized codes and standards adopted by the South Carolina Building Codes Council;

(2) the latest edition of ASHRAE Standard 90.1 and ASHRAE Standard 189.1 compatible with the nationally recognized codes and standards adopted by the Building Codes Council;

(3) the Green Globes Rating System;

(4) the LEED Rating System; or

(5) any other high‑performance building standards adopted by the State Engineer by publication in the Manual for Planning and Execution of State Permanent Improvements.

(B) A governmental body may choose to seek third‑party certification by the Green Building Initiative, the U.S. Green Building Council, or other certifying entity.

(C) The Office of the State Engineer shall administer and enforce the provisions in this section with regard to approval of construction plans and specifications for major facility projects. The State Fiscal Accountability Authority may adopt rules and promulgate regulations to comply with the goals set forth in this chapter.

Section 10‑13‑50. When designing and constructing to high‑performance building standards, a governmental body shall not apply or allow its designers and contractors to apply standards that discriminate against building materials or furnishings including, but not limited to, wood grown in this State and masonry, plastics, concrete, steel, textiles, and wood that are manufactured or produced within the State.

Section 10‑13‑60. A governmental body requesting third‑party certification for a major facility project shall not seek a:

(1) rating credit or point for building product disclosure and optimization credit that requires material ingredient reporting; or

(2) rating point that would discriminate against wood products of this State derived from forest lands certified by the Sustainable Forestry Initiative or the American Tree Farm System.

Section 10‑13‑70. A major facility project must be inspected by a third‑party commissioning agent retained by the governmental body before final payment for the major facility project and in the fifth year following the issuance of a certificate of occupancy. The third‑party commissioning agent shall determine whether the building is operating at the high‑performance building standards to which it was designed and constructed and report its findings to the governmental body, the State Energy Office, and the Office of the State Engineer. The report must include, but is not limited to, the building’s estimated annual savings on energy and water, the level of its indoor air quality, the existing system’s function and performance, problems with the system, and whether the system’s performance meets the facility’s requirements.”

SECTION 2. Section 48‑52‑620(A) through (D) is amended to read:

“(A)~~(1)~~ Each state agency and public school district shall submit for approval to the State Energy Office an energy conservation plan for buildings in use on July 1, 2008, with a goal to reduce energy consumption by at least one percent annually for five consecutive years beginning July 1, 2008. The plan also must have a goal of ultimately reducing energy consumption for buildings in use on July 1, 2008, by twenty percent by July 1, 2020, relative to year 2000 levels. An agency shall implement all available cost‑effective energy‑saving measures to pursue these goals. In determining whether an energy‑saving method is cost effective, an agency should primarily consider the measure’s cost effectiveness over a five‑year period rather than within one fiscal year. The State Energy Office shall provide agency assistance and information needed to help meet these goals.

~~(2)~~ ~~The provisions of this section do not apply to a building designed, constructed or rehabilitated, and maintained in compliance with the Energy Independence and Sustainable Construction Act of 2007.~~

(B) ~~In order to monitor energy consumption, the State Energy Office must determine those state buildings that require individual metering. Metering must be installed by the agency, the cost of which must be borne by the agency responsible for the utility bill for the building.~~ In order to allow for the monitoring of energy consumption, each major facility project undertaken after July 1, 2019, must include individual metering at the building level if the building is used by one state agency or submetered if the facility is used by more than one state agency, unless an energy management system produces the same level of energy use information for each separate agency is in place. Metering must be installed by the agency, the cost of which must be borne by the agency responsible for the utility bill in the building or portion of the building.

(C)(1) Each state agency and public school district annually shall submit energy conservation reports in the manner and at the times required by the State Energy Office.

(2) An agency or public school district that does not attain the annual reduction goals required by this section shall include in its report a detailed justification that it implemented all available, cost‑effective energy conservation methods.

(3) An agency or public school district that submits a report indicating it has implemented all available, cost‑effective energy‑saving measures as contemplated in subsection (A) is exempt from these reporting requirements for a year in which a subsequent report would indicate no status change. The agency must notify the State Energy Office that the agency is exempt under this item.

(D) Each public school district and state agency shall submit to the State Energy Office and each state agency shall include in its annual report to the State ~~Department of Administration~~ Energy Office:

(1) activities undertaken implementing its energy conservation plan; and

(2) progress made in achieving its energy conservation goals.”

SECTION 3. Article 8 of Chapter 52, Title 48 of the 1976 Code is repealed.

SECTION 4. This act takes effect on July 1, 2019, and applies to plans for projects submitted for review pursuant to Section 10‑5‑270 on or after that date.

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