

STATE OF MINNESOTA

EXECUTIVE DEPARTMENT



MARK DAYTON
GOVERNOR

Executive Order 11-12

Providing for Job Creation through Energy Efficiency and Renewable Energy Programs for Minnesota's Public Buildings

I, Mark Dayton, Governor of the State of Minnesota, by virtue of the authority vested in me by the Constitution and applicable statutes, do hereby issue this Executive Order:

Whereas, state government is a major consumer of energy and the state should be a leader in adopting cost-effective energy conservation and renewable energy practices; and

Whereas, industry experts estimate energy consumption can be reduced by up to 25 percent through operational changes and best management practices; and

Whereas, an effective public-private partnership to improve public building energy efficiency and use of renewable energy can save taxpayers millions of dollars annually while creating needed construction jobs; and

Whereas, these energy efficiency and renewable energy improvements will be in the public interest and should be constructed by the best means and highest quality of labor reasonably available, and these improvements will be funded by direct public payments made possible by the energy savings to the State and other public entities; and

Whereas, this Executive Order will put Minnesota in a position to attract new investments and jobs to the state as a center for national energy efficiency and renewable energy job creation; and

Whereas, a successful public sector energy improvement initiative can provide a model for large-scale, private sector investment in commercial and industrial energy efficiency; and

Whereas, Minnesota Statutes, sections 16C.144; 16B.32, subdivision 3; 16B.321; and 16B.322 provide technical and financial resources to state agencies to implement energy-saving improvements through Guaranteed Energy Savings Contracts and the State Energy Improvement Financing Program; and

Whereas, the State of Minnesota B3 Energy Benchmarking program is an energy management tool available to state agencies and local governments and school districts to improve the energy performance of their buildings; and

Whereas, the Energy Service Coalition (ESC) is a national organization of public and private sector experts working together at the state and local level to increase energy efficiency through energy savings performance contracting;

Now, Therefore, I hereby order that:

1. In state-owned buildings, state agencies shall adopt cost-effective energy efficiency and renewable energy strategies through the following actions to achieve no less than an aggregate 20 percent reduction in energy use. Baseline for the reduction is the first year that the agency's data was entered in the B3 Energy Benchmarking tool, or the year immediately before the agency initiated energy efficiency improvements, whichever is later:
 - a. Beginning **July 1, 2011**, each state agency shall maintain in the B3 Energy Benchmarking website current utility consumption data for state-owned buildings under its custodial control.
 - b. By **September 1, 2011**, each state agency, in consultation with the Commissioners of Administration and Commerce, shall establish site-specific goals for reducing energy usage in state-owned buildings under its custodial control through implementation of cost-effective energy efficiency improvements and renewable energy installations. An agency must report progress on those goals annually in its Sustainability Plan under Executive Order 11-13 to the Real Property Executive Committee and the Commissioner of Administration.
 - c. By **December 31, 2011**, each state agency shall identify all major energy-consuming building systems in state-owned buildings under its custodial control that will reach the end of their useful life within the next five years.
 - d. The Commissioner of Administration with the assistance of the commissioners of Commerce and Management and Budget shall pursue integration of the B3 Energy Benchmarking program and the state's accounting system to streamline enterprise tracking of energy

consumption in state-owned facilities and payment of utility bills by state agencies.

- e. State agencies shall identify and implement best management practices and cost-effective energy efficiency and renewable energy improvements utilizing Guaranteed Energy Savings Contracts, the State Energy Improvement Financing Program, or other implementation and financing mechanisms that may be appropriate.
 - f. All state contracts entered into to perform energy efficiency and renewable energy improvements and associated work shall adhere to the prevailing wage law, Minnesota Statutes, sections 177.41 to 177.44, and any other applicable prevailing wage statutes and ordinances, in contract solicitations and contract enforcement.
 - g. For purposes of this Executive Order, "state agency" means an agency as defined in Minnesota Statutes, section 16B.01, subdivision 2, that occupies state-owned buildings.
- 2. By **May 15, 2011**, the Commissioner of Commerce, in partnership with state and local government and energy service companies, shall convene an Energy Service Coalition, Minnesota Chapter to establish voluntary standards, best practices, educational resources and outreach strategies to advance state and local government utilization of energy saving performance contracting.
 - 3. By **June 15, 2011**, the Commissioner of Commerce shall create and staff an Office of Guaranteed Energy Savings Programs to offer a technical assistance program for state agencies, local units of government, and school districts that elect to implement energy-saving and renewable energy improvements through Guaranteed Energy Savings Contracts. The intent of this program is to maximize job creation, energy and operational cost savings, and investment in state facility infrastructure.
 - 4. By **September 1, 2011**, the Commissioner of Commerce shall develop a proposal to provide on-going funding for the Office of Guaranteed Energy Savings Programs services to state agencies, local governments, and school districts.
 - 5. By October 11, 2011, the Commissioner of Commerce shall analyze barriers to the development of renewable energy projects by state agencies, local governments and other public sector entities, and shall recommend modifications to current law or administrative procedures, or both, to address those barriers.
 - 6. A state agency that prepares a predesign for a major renovation of a building must perform an assessment of the cost-effectiveness of installing renewable energy generation equipment in conjunction with the building renovation. The assessment must comply with the requirements of Minnesota Statutes, section 16B.32, subdivision 1a.

7. The University of Minnesota, the Minnesota State Colleges and Universities, the Metropolitan Council and the Metropolitan Airports Commission are strongly encouraged to evaluate energy performance contracting or other alternative financing methods as a means of implementing their energy efficiency and facilities upgrade projects before requesting other state money, such as Higher Education Asset Preservation and Replacement (HEAPR) funding.
8. The Commissioner of Commerce, in partnership with other state agencies, shall track and participate in relevant aspects of the federal "Better Buildings Initiative" to ensure Minnesota secures money available through aspects of the building retrofit initiative, including "Race to the Green."
9. By **December 31, 2011**, State agencies shall assess building automation systems and monitoring points in state-owned buildings and identify opportunities to improve their effectiveness in monitoring operations of facility assets, energy use, equipment conditions, systems performance, and environmental conditions to more quickly and easily identify when buildings are consuming more energy than necessary and to enhance tracking and reporting capabilities.
10. The Commissioner of Employment and Economic Development shall develop a list of Minnesota suppliers of applicable energy efficiency and renewable energy equipment and work with Minnesota energy efficiency and renewable energy companies to increase job creation and advance energy related manufacturing technologies in the state to make Minnesota a national center of energy technology and manufacturing.

Under Minnesota Statutes, section 4.035, subdivision 2, this Executive Order is effective 15 days after publication in the State Register and filing with the Secretary of State.

In Testimony Whereof, I have set my hand on April 8, 2011.



Mark Dayton
Governor

Filed According to Law:



Mark Ritchie
Secretary of State

