

**Commonwealth of Virginia
Office of the Governor**

Executive Order NUMBER THIRTY ONE (2014)

**CONSERVING ENERGY AND REDUCING CONSUMPTION IN THE
COMMONWEALTH OF VIRGINIA**

Importance of the Issue

The cleanest and cheapest energy is energy that is not consumed. Strong energy efficiency measures in government, businesses, and residences can reduce energy consumption, costs, and bills, diminish the need to build new generation infrastructure, and increase Virginians' quality of life through lower carbon emissions polluting the atmosphere. Increased energy efficiency measures will serve as a stimulus to the growing energy efficiency industry in Virginia, helping create new jobs and diversifying our economy. The Commonwealth of Virginia will demonstrate the extraordinary potential and invaluable business advantages achieved with energy efficiency.

As a prudent steward of taxpayer dollars, Virginia is dedicated to finding creative solutions with increasingly limited resources. Pursuing sensible energy efficiency in state government will increase the productivity of the energy used, reduce consumption, save money, and lessen any negative environmental impact. The Commonwealth is seeking to reduce electricity consumption in state facilities by 15% by 2017, using 2009-2010 as a baseline.

While the Commonwealth embraces the challenge of reducing energy consumption, localities, businesses, and individual consumers are encouraged to use energy efficiency, and utilize available tools to conserve energy.

Energy Efficiency Initiatives

By the power vested in me by Article V of the Constitution of Virginia, and § 2.2-103 of the Code of Virginia, and subject always to my continuing and ultimate authority and responsibility to act in such matters, I hereby direct all executive branch agencies, authorities, departments, and all institutions of higher education, to every extent practicable, to operate in accordance with the following guidelines:

- All state agencies should proactively pursue energy efficiency measures, especially Energy Performance Contracting (EPC), to reduce energy consumption. EPC is a budget neutral, cost-effective tool that permits state agencies and publicly-owned facilities to reduce their deferred maintenance backlogs without adding any financial burden to the taxpayer. In addition, EPC is an effective mechanism to finance capital improvements using leveraged energy savings to reduce both energy costs and consumption. For agencies that have already employed EPC,

overall energy consumption should be re-evaluated to identify areas for further efficiency improvements.

- Agencies should utilize the current process, at no cost to the agency, which provides for a general audit to assess whether EPC is appropriate for the agency. This portion of the process is managed by the Department of Mines, Minerals, and Energy (DMME), and all agencies should work with DMME to have a general audit conducted with the goal of implementing an EPC by 2016.

I have appointed the Advisor for Infrastructure and Development as the Commonwealth's Chief Energy Efficiency Officer (CEEO) to oversee planning, implementation, and measurement of energy efficiency throughout state government, as follows:

- Organize a meeting with all agencies tasked with overseeing EPC in state government and state-certified Energy Service Companies (ESCOs) to establish a fully transparent, streamlined, and standardized process that agencies will use to implement EPC. This will include the development of an "EPC Roadmap" that will lay out each step of the EPC process, and ensure accountability among agencies and the ESCOs at each stage of project development and implementation.
- Coordinate with SCHEV to identify the deferred maintenance needs at each higher education institution and the opportunities to leverage energy savings to fund building infrastructure upgrades.
- Work with the Department of General Services (DGS) and DMME to identify and prioritize state facilities that offer opportunities for significant cost and consumption reduction.
- Work with DMME to establish a comprehensive system to measure, verify, and track energy consumption in state facilities.
- Re-commission electrical equipment and systems in publicly-owned facilities, when needed.
- Ensure that DMME reviews all annual project performance reports submitted by ESCOs to the agencies.
- Work with subject matter experts to identify best practices to incentivize individuals and agencies regarding energy efficiency measures. Those who show leadership in energy efficiency, regardless of agency and project site, will be recognized.

Effective Date of the Executive Order

This Executive Order shall be effective upon signing and shall remain in force and effect from its signing unless amended or rescinded by further executive order.

Given under my hand and under the Seal of the Commonwealth of Virginia, this 16th day of October, 2014.

Terence R. McAuliffe, Governor