



Andrew M. Cuomo - Governor

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Governor Cuomo Launches "Build Smart NY" Initiative with Executive Order

State Agencies Directed to Increase Energy Efficiency by 20% in Seven Years

Initiative Will Save Taxpayers Millions of Dollars and Create Thousands of Jobs

Albany, NY (December 28, 2012)

Governor Andrew M. Cuomo today issued an Executive Order directing state agencies to increase energy efficiency in state buildings by 20 percent in seven years - one of the most ambitious initiatives in the nation that will save millions of dollars for taxpayers and create thousands of jobs while significantly reducing greenhouse gas emissions. The Governor also launched "Build Smart NY," a plan to strategically implement the Executive Order by accelerating priority improvements in energy performance.

"Improving energy efficiency in our buildings is a smart investment in our present and future," Governor Cuomo said. "Through Build Smart NY, state government can produce significant savings for New York taxpayers and generate thousands of jobs, while reducing greenhouse gas emissions by more than eight million metric tons - which is the same as taking one million cars off the road for one year. Furthermore, most of the projects will pay for themselves as their energy savings will cover their costs, making this initiative a financial and environmental win-win for New Yorkers."

To meet the goal of increasing energy efficiency by 20 percent in seven years, the administration designed Build Smart NY, a strategic implementation plan that will use state building energy data to prioritize projects that will deliver the greatest energy savings per dollar spent. The largest and most inefficient buildings will be addressed first and undergo comprehensive whole-building improvements. Building improvements include measures like new lighting fixtures and controls, heating, ventilating and air-conditioning systems, electric motors, and automated energy management systems.

Build Smart NY supports the Governor's larger NY Works program and economic development agenda which coordinates state funding to accelerate projects that will create jobs and improve the state's infrastructure. NY Works is designed to expedite select projects with maximum economic impact, allowing them to begin as soon as possible and reduce project costs by hundreds of millions of dollars.

Similarly, Build Smart NY will accelerate projects that produce the greatest savings and coordinate all spending. The program will also ensure that cost-effective improvements for energy savings are considered in all of the state's capital project planning.

The New York Power Authority (NYPA) has committed to provide \$450 million in low-cost financing for this initiative. Additionally, for most projects, no upfront capital spending will be required because agencies will be able to repay the loans through the projects' energy savings. Also in support of Build Smart NY, the New York State Energy Research and Development Authority's (NYSERDA) comprehensive array of energy efficiency programs provide objective and customized information to help state agencies and others make informed energy decisions and also provide attractive financial incentives to help offset the costs of energy efficiency improvements.

Significant progress has already been made in the last few months. Data has been collected on over 180 million square feet of buildings and campuses - about 95 percent of the State's building stock, and work has started on 30 million square feet of real estate.

To support Governor Cuomo's efforts to increase energy efficiency, a new web platform was launched today that posts progress reports, case studies, energy savings, project costs, and other information to the public, providing greater accountability and transparency on government spending and performance. With this site, New York State is also pioneering the use of big data and social networking technologies to create transparency around building energy efficiency, drive innovation, and accelerate projects. The platform is powered by technology from New York City start-up, Honest Buildings, Inc. For more information, visit www.buildsmart.ny.gov.

Tony Malkin, President of Malkin Holdings, Supervisor of the Empire State Building, said, "The Governor is demonstrating strong leadership in his Build Smart NY initiative to increase energy efficiency throughout the state's property. New York State is using the best lessons from private practice and creating a large scale public policy initiative based on real data to determine investment and return. The program will prioritize projects and apply resources to the buildings that can deliver the biggest bang for taxpayer dollars, while making sure to share case studies and building information with the public. I applaud the Governor for this initiative which will create jobs and save New Yorkers money."

"Today Governor Cuomo has moved New York one step closer to being the most energy efficient state in the nation," said Jackson Morris, Director of Strategic Engagement for the Pace Energy & Climate Center. "Leading by example in making state buildings more energy efficient will save taxpayers money, create thousands of local jobs, and bolster New York's broader efforts to cut greenhouse gas emissions. This is precisely the sort of leadership the state and nation needs to move to a 21st century clean energy economy, and we commend the Governor for launching this groundbreaking initiative."

"Governor Cuomo's Build Smart NY Initiative is a prime example of public-private sector collaboration," said Greg Hale, Director of Efficiency Finance at the Natural Resources Defense Council. "New York State's investment in cost-effective energy efficiency upgrades to the state's buildings will create thousands of jobs for local businesses, while also helping to jumpstart a private sector market for efficiency renovations like this in communities across the state. The energy savings generated by these efficiency improvements to state-owned buildings will not only repay the state's initial investment in a few years, but will continue to save millions of taxpayer dollars for years to come."

"By scaling up use of energy efficiency and renewable energy resources, New Yorkers can effectively limit pollution, reduce harmful carbon emissions, slash energy bills, and create new jobs. Governor Cuomo's leadership and commitment to reducing energy usage by State agencies, authorities and commissions by 20% by 2020 makes New York State a model for others around the country," said Mary Barber Environmental Defense Fund's Energy Program chief of strategy and regional director of EDF's New York office.

"Governor Cuomo's Build Smart NY initiative is an innovative and practical approach to energy efficiency, expediting the completion of cost-saving measures and prioritizing work to ensure efficient implementation," said Gil C. Quiniones, president and chief executive officer, New York Power Authority. "Improving the energy efficiency of state buildings will save hundreds of millions of taxpayer dollars, create new jobs from the capital investments in energy-saving projects, and benefit the environment."

"The Build Smart NY initiative is another example of Governor Cuomo's serious commitment to increasing energy efficiency across New York State," said Francis J. Murray Jr., President and CEO, NYSERDA. "NYSERDA is proud to take part in this effort as we work with partners in government and the private sector to effect a permanent transformation in the way new buildings are designed and constructed, and existing buildings are retrofitted through innovative, cost-effective energy efficiency measures. Projects under Build Smart NY will decrease government energy use, reduce energy costs and increase jobs in our growing energy-efficiency sector."

"Governor Cuomo's Build Smart NY initiative makes sense for the environment and taxpayers," RoAnn Destito, Commissioner, Office of General Services (OGS) said. "We know what a tremendous impact this initiative will have when implemented in buildings statewide, because OGS has seen the results of the energy efficiency programs we have put into place in state office buildings."

The Executive Order is below:

DIRECTING STATE AGENCIES AND AUTHORITIES TO IMPROVE THE ENERGY EFFICIENCY OF STATE BUILDINGS

WHEREAS, New York is dedicated to the mutually compatible goals of environmental protection, energy security, and economic growth; and

WHEREAS, increasing energy efficiency has been identified as among the most cost-effective methods for reducing greenhouse gas and other environmental pollutant emissions and increasing energy security; and

WHEREAS, increasing energy efficiency can lead to increased jobs and a reduction in building operating expenses; and

WHEREAS, New York is committed to implementing new policies to promote the efficient use of energy and natural resources in the interest of the long-term protection and enhancement of the State's environment, economy and public health;

NOW, THEREFORE, I, Andrew M. Cuomo, Governor of the State of New York, by virtue of the authority vested in me by the Constitution and the Laws of the State of New York, do hereby order as follows:

I. DEFINITIONS

For the purposes of this Executive Order, the following terms are defined as follows:

A. "Affected State Entities" means (i) all agencies and departments over which the Governor has Executive Authority, and (ii) all public-benefit corporations, public authorities and commissions, for which the Governor appoints the Chair, the Chief Executive, or the majority of Board Members, except for the Port Authority of New York and New Jersey.

B. "Average Source Energy Use Intensity" or "average EUI" means the average source energy use per square foot for all state-owned and managed buildings.

C. "Source energy" means all the energy used in delivering energy to a site, including power generation, transmission and distribution losses.

II. ENERGY REDUCTION TARGET

By April 1, 2020, all Affected State Entities shall collectively reduce the average EUI in State-owned and managed buildings by at least 20% from a baseline of the average EUI of such buildings for State fiscal year 2010/2011 ("Target").

III. OBLIGATIONS TO MEET TARGET

A. Central Management and Implementation Team: The New York Power Authority ("NYPA") shall establish a central management and implementation team ("CMIT") to administer this Executive Order.

(1) The CMIT is hereby directed and authorized to:

(a) Take all appropriate measures to ensure that the Target is met;

- (b) Direct Affected State Entities to comply with the requirements of this Executive Order;
 - (c) Create guidelines ("Guidelines") within nine months of the issuance of this Executive Order to assist Affected State Entities in complying with this Executive Order, and thereafter update such Guidelines as necessary;
 - (d) Provide strategic, technical, and other assistance to each Affected State Entity to support implementation of this Executive Order;
 - (e) Develop annual milestones for achieving the Target over the next seven years within 12 months of the issuance of this Executive Order;
 - (f) Develop and implement reporting requirements to document each Affected State Entity's progress toward meeting the Target;
 - (g) Develop a comprehensive operations and maintenance plan for the State's building portfolio to help achieve no cost and low cost efficiency improvements and ensure that efficiency savings are sustained; and
 - (h) Submit an annual report to the Governor by January 15th of each year, beginning in 2014, detailing the overall progress Affected State Entities are making toward meeting the Target. Requirements for the annual report shall be contained in the Guidelines.
- (2) The Office of General Services and the New York State Energy Research and Development Authority are hereby directed to provide technical assistance to the CMIT and each of the Affected State Entities with respect to complying with and implementing the requirements of this Executive Order and those established by the CMIT pursuant to this Executive Order.

B. Affected State Entities

In addition to the requirements established above, each of the Affected State Entities shall comply with the following:

- (1) **Benchmarking.** For each State fiscal year, each Affected State Entity shall measure the energy use in State-owned and managed buildings having an area greater than 20,000 square feet. Buildings on master-metered campuses shall be benchmarked at the campus level until they are sub-metered at the building level, after which point those buildings shall be benchmarked at the building level.
- (2) **Audits.** Buildings that receive low benchmark scores, as defined by the Guidelines, shall undergo an American Society of Heating, Refrigeration, and Air-Conditioning Engineers ("ASHRAE") Level II energy audit, or any other comparable audit that the CMIT approves. Campuses that have above-average EUIs or poor benchmark scores, as defined by the Guidelines, or are otherwise prioritized by the Affected State Entities and the CMIT, shall undergo a campus-wide ASHRAE Level II energy audit or any other comparable audit approved by the CMIT. In addition to energy efficiency measures, the audits shall identify opportunities for cost-effective on-site renewable generation and high-efficiency combined heat and power.
- (3) **Required Capital Projects and Energy Optimization Measures.** Affected State Entities shall implement a cost-effective portfolio of measures identified and recommended in the audit and shall complete or make substantial progress toward completion of such measures within two years of completion of the audit. A portfolio may include, but shall not be limited to, no- and low-cost operational improvements, retrocommissioning, capital energy efficiency retrofits, on-site renewable and high-efficiency combined heat and power, and other measures identified by the CMIT.
- (4) **Submetering.** Affected State Entities shall work with the CMIT to prioritize sub-metering for all relevant energy sources of buildings larger than 100,000 square feet on a master-metered campus to identify ways to finance such sub-metering. All buildings having an area larger than 100,000 square feet on master-metered campuses shall be sub-metered for all fuels and other energy sources by December 31, 2016, to enable individual building benchmarking, unless the Affected State Entity that owns or operates the building can demonstrate to the CMIT that it is not cost-effective or feasible to do so.
- (5) **Incorporating Energy Efficiency Analysis in the Capital Planning Process.** As part of the capital planning process, all Affected State Entities shall include an energy efficiency analysis in the design phase of all capital project plans. The capital project should include energy efficient measures or technologies determined to be the most cost-effective, as defined by the Guidelines.
- (6) **Credits.** Affected State Entities may receive credit towards the Target for increasing energy efficiency in leased space. In addition, Affected State Entities may receive credit towards meeting the Target for installing on-site renewable generation if the host site for such renewable generation has deployed all cost-effective energy efficiency improvements consistent with the goals of this Executive Order. Affected State Entities shall consult with and apply to the CMIT concerning such credits.
- (7) **Reporting.** No later than October 1st of each calendar year, each Affected State Entity shall submit all information requested by the CMIT on all State-owned and managed buildings having an area over 20,000 square feet, as well as any other information related to assessing compliance with this Executive Order.

C. Exemptions

Electric usage attributable to vehicle charging shall not be included in the Target and requirements of this Executive Order. The CMIT is authorized to provide other exemptions for good cause shown pursuant to criteria and procedures established in the Guidelines, including exceptions associated with buildings that have obtained and maintained ENERGY STAR or similar certification, or have benchmark scores placing such buildings in the top quartile of comparable buildings for the particular year at issue. Affected State Entities shall submit requests for annual exemptions to the CMIT. Any such request for exemptions and resulting determination by the CMIT shall be included in the annual report.

IV. Repeal of Prior Executive Orders

Executive Order No. 111, promulgated on June 10, 2001, is hereby revoked and superseded by this Executive Order as of the date hereof.