

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 14, 2013

TO: Honorable Troy Fraser, Chair, Senate Committee on Natural Resources

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB1864** by Wu (Relating to certain energy security technologies for critical governmental facilities.), **Committee Report 2nd House, Substituted**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend Chapter 2311 of the Government Code, as added by Chapter 1280, Acts of the Eighty-first Legislature, Regular Session, 2009, to add institutions of higher education to the list of facilities designated as a "critical governmental facility." This designation would place institutions of higher education under the purview of Section 2311.002, which requires an evaluation to determine if equipping a critical governmental facility with a combined heating and power system would result in expected energy savings that would exceed the expected costs of purchasing, operating, and maintaining the system over a 20-year period. If the expected energy savings exceeds the expected costs, the institution of higher education would be authorized to equip the facility with a combined heating and power system. The bill would also require the State Energy Conservation Office (SECO) to establish guidelines for evaluating the cost effectiveness of equipping a critical governmental facility with a combined heating and power system.

Several institutions of higher education, including Texas A&M University System, University of Houston, Texas State University System, Texas Tech University System, University of North Texas System, Texas State Technical College System, as well as the Higher Education Coordinating Board and SECO within the Comptroller of Public Accounts indicated that any additional work resulting from the passage of the bill could be reasonably absorbed within current resources. The University of Texas System estimates there would be a minimal cost associated with implementing the provisions of the bill.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 710 Texas A&M University System Administrative and General Offices, 719 Texas State Technical College System Administration, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

LBB Staff: UP, LCO, SZ, EP, GO