
EXECUTIVE DIRECTIVE No. 2007 - 22

ENHANCED ENERGY EFFICIENCY AND CONSERVATION BY STATE DEPARTMENTS AND AGENCIES

WHEREAS, Section 1 of Article V of the Michigan Constitution of 1963 vests the executive power of the State of Michigan in the Governor;

WHEREAS, under Section 8 of Article V of the Michigan Constitution of 1963 each principal department of state government is under the supervision of the Governor unless otherwise provided by the Constitution;

WHEREAS, under Section 8 of Article V of the Michigan Constitution of 1963, the Governor is responsible to take care that the laws be faithfully executed;

WHEREAS, under Executive Order 2002-20, MCL 18.321, all of the authority, powers, functions, duties, and responsibilities pertaining to the planning, management and operation, capital renewal, and acquisition of buildings and facilities of Executive Branch agencies, excluding the Department of Transportation, the Department of Military and Veterans Affairs and the Department of Natural Resources, were transferred to the Department of Management and Budget;

WHEREAS, under Section 551 of The Management and Budget Act, 1984 PA 431, MCL 18.1551, the Governor shall inquire into the administration of The Management and Budget Act;

WHEREAS, under Section 261 of The Management and Budget Act, 1984 PA 431, MCL 18.1261, the Department of Management and Budget must provide for the purchase of, the contracting for, and the providing of supplies, materials, services, insurance, utilities, third party financing, equipment, printing, and all other items as needed by state agencies for which the Legislature has not otherwise expressly provided;

WHEREAS, under Section 241b of The Management and Budget Act, 1984 PA 431, MCL 18.1241b, the Department of Management and Budget must consider the energy efficiency of all materials used in the construction, alteration, repair, or rebuilding of a building or facility owned or operated by this state;

WHEREAS, under Section 253 of The Management and Budget Act, 1984 PA 431, MCL 18.1253, a state agency may enter into a multi-year contract for energy conservation improvements to state facilities to be paid for from the avoided operating costs for utility service or fuel produced by the improvements;

WHEREAS, under Section 213 of The Management and Budget Act, 1984 PA 431, MCL 18.1213, the Department of Management and Budget may issue directives relative to motor vehicles used by all state agencies, except for motor vehicles under the jurisdiction of the Department of Transportation;

WHEREAS, under Section 131 of The Management and Budget Act, 1984 PA 431, MCL 18.1131, the Director of the Department of Management and Budget may issue, alter, or rescind administrative and procedural directives as determined to be necessary for the effective administration of the Act;

WHEREAS, the State of Michigan, in the operation of state facilities and use of state motor vehicles, consumes significant amounts of electricity, natural gas, petroleum, fuel oil, chilled water, steam, gasoline, and other resources;

WHEREAS, the cost of energy continues to rise and traditional sources of non-renewable energy continue to be depleted at a rapid pace;

WHEREAS, the State of Michigan is a leading consumer of energy throughout Michigan;

WHEREAS, products or processes that use less energy provide an environmental and a fiscal benefit and can reduce greenhouse gas emissions and have a positive impact on climate change;

WHEREAS, state departments and agencies will benefit from interagency communication and joint problem solving to reduce energy consumption and achieve new energy efficiencies;

WHEREAS, significant improvements in energy efficiency and conservation by state departments and agencies have been realized based on actions taken in response to the issuance of Executive Directives 2005-4 and 2007-6;

WHEREAS, state government can act to reduce greenhouse gas emissions and respond to climate change by improving energy efficiency, conserving natural resources, and using renewable energy sources;

WHEREAS, Michigan taxpayers will benefit from the cost savings delivered and an improved environment with less pollution through greater energy efficiency and conservation;

NOW, THEREFORE, I, Jennifer M. Granholm, Governor of the State of Michigan, by virtue of the power vested in the Governor by the Michigan Constitution of 1963 and Michigan law, direct:

I. DEFINITIONS

As used in this Directive:

- A. "Alternative fuel" includes a "clean fuel" as defined under Section 2 of the Michigan Next Energy Authority Act, 2002 PA 593, MCL 207.822.
- B. "Carbon footprint" means a measure of the exclusive total amount of carbon dioxide emissions directly and indirectly caused by an activity or accumulated over the life stages of a product.
- C. "Climate change" refers to any significant change in measures of climate, such as temperature, precipitation, or wind, lasting for an extended period of time of a decade or longer.
- D. "Department of Environmental Quality" means the principal department of state government created under Executive Order 1995-18, MCL 324.99903.
- E. "Department of Labor and Economic Growth" means the principal department of state government created by section 225 of the Executive Organization Act of 1965, 1965 PA 380, MCL 16.325, and renamed by Executive Order No. 1996-2, MCL 445.2001, and by Executive Order No. 2003-18, MCL 445.2011.
- F. "Department of Management and Budget" means the principal department of state government established under Section 121 of The Management and Budget Act, 1984 PA 431, MCL 18.1121.
- G. "Energy conservation measure" means improvement of a building structurally or the installation of equipment or materials in a building for the purpose of reducing energy consumption or cost, increasing energy efficiency, or allowing the use of a renewable resource for fuel.
- H. "Energy Star®" means the voluntary partnership among the United States Department of Energy, the United States Environmental Protection Agency, product manufacturers, local utilities, and retailers to help promote energy efficient products by labeling with the Energy Star® logo, educate consumers about the benefits of energy efficiency, and help promote energy efficiency in buildings by benchmarking and rating energy performance.
- I. "Greenhouse gas" means a gas from human-generated activities that traps heat within the atmosphere of the Earth causing climate change, including but not limited to, carbon dioxide, methane, nitrous oxide, ozone, and fluorinated gases.
- J. "Hybrid vehicle" includes a "hybrid vehicle" or a "hybrid electric vehicle" as defined under Section 2 of the Michigan Next Energy Authority Act, 2002 PA 593, MCL 207.822.
- K. "LEED" means the Leadership in Energy and Environmental Design Green Building

Rating System developed by the United States Green Building Council. LEED is recognized as the nation's leading green building rating system and promotes high-performance building practices; energy, water, and materials conservation; environmentally preferred products and practices; improvements in employee health, comfort, and productivity; and reductions in facility operation costs and environmental impacts.

L. "Renewable energy source" means that term as defined under Section 10g of 1939 PA 3, MCL 460.10g.

M. "State Energy Office" means the entity within the Department of Labor and Economic Growth that promotes energy efficiency and renewable energy resource development to Michigan residents, businesses, and public institutions.

II. CONTINUING REDUCTIONS IN STATE ENERGY CONSUMPTION

A. The Department of Management and Budget shall maintain the energy efficiency savings target established by Section II.A of Executive Directive 2005-4 for all state buildings managed by the Department or another department or agency within the Executive Branch of state government. The goal shall continue to be attainment of a 10% reduction in energy use by December 31, 2008 and a 20% reduction in grid-based energy purchases by December 31, 2015, when compared to energy use and energy purchases for the state fiscal year ending September 30, 2002.

B. The Department of Management and Budget shall maintain the energy conservation measures and best management practices to improve energy efficiency adopted under Section II.B of Executive Directive 2005-4.

C. The Department of Management and Budget shall continue to implement the plan presented by the Department as required by Executive Directive 2007-6 to further reduce energy use by departments and agencies within the executive branch of state government by at least 10% from the level of energy use during the fiscal year ending September 30, 2006.

D. In addition to on-going efforts, the Department of Management and Budget, in consultation with the Department of Environmental Quality and the State Energy Office, shall develop by July 1, 2008, a process for measuring energy consumption to be used by all state departments and agencies to track energy use in a common and consistent manner. The process shall include a mechanism to calculate each principal department's carbon footprint.

E. State departments and agencies are directed to take all necessary steps to conserve energy and enhance energy efficiency consistent with this Directive, including, but not limited to, use of energy performance contracting and education of state employees to reduce energy use.

III. ENERGY USE REDUCTION COORDINATORS

A. Each principal department director shall designate an Energy Use Reduction Coordinator for the department. Each Energy Use Reduction Coordinator shall have the following responsibilities:

1. Comprehensive review, in consultation with the Department of Management and Budget and the State Energy Office, of his or her department's energy consumption and carbon footprint.
2. Preparation, in consultation with the Department of Management and Budget and the State Energy Office, of a departmental plan to meet the energy consumption goals identified in Section II.A and II.C for submission by the principal department director to the Director of the Department of Environmental Quality and the Director of the Department of Management and Budget.
3. Consultation with the Department of Management and Budget and the State Energy Office on programs to qualify buildings occupied by state departments and agencies for Energy Star® designation under Section III.B.

IV. ENERGY EFFICIENCY AND THE STATE MOTOR VEHICLE FLEET

A. In managing the State of Michigan's reduced fleet of motor vehicles, the Department of Management and Budget shall continue to:

1. Comply with the requirements of the federal Energy Policy Act of 1992, as amended (EPAAct), which is intended to reduce the United States' dependence on foreign oil by requiring certain fleets, including motor vehicle fleets operated by state governments, to acquire alternative fuel vehicles capable of operating on non-petroleum fuels or on blended fuels with lower petroleum content.
2. Include hybrid vehicles within the state's fleet, if analysis by the Department of Management and Budget determines the hybrid vehicles to be cost effective and capable of meeting the state's transportation needs.
3. As the public alternative fuel infrastructure continues to develop, require the users of motor vehicles within the state fleet to refuel with alternative fuels to the extent feasible.
4. Develop procedures to encourage or require the use of diesel fuel with the highest percentage of biodiesel content available, when biodiesel fuel is available to a user of a diesel fuel vehicle in the state fleet.
5. Administer the Flexible Fuel Fleet Awareness program.

B. The Department of Management and Budget shall explore opportunities to enter into agreements with other governmental entities for the joint use of alternative fuel distribution facilities used by governmental entities for alternative fuel vehicles.

V. ENERGY EFFICIENCY AND ENERGY STAR® PURCHASING

A. State purchasing policies and procedures issued by the Department of Management and Budget shall continue to do all of the following:

1. Include energy efficiency considerations and life-cycle costs when determining whether the purchase of or contracting for goods or supplies represents the best value for the State of Michigan, including, but not limited to, equipment purchased for state facilities such as lighting equipment, heating systems, ventilation systems, air conditioning systems, and water heating systems. As used in this paragraph, "life-cycle costs" means the purchase price for goods or supplies plus the estimated operating costs for the goods or supplies over the useful life of the goods or supplies.

2. Specify that any of the following purchased by state departments or agencies shall be Energy Star® compliant:

a. New electronic office equipment purchased by state departments or agencies, to the extent Energy Star® certified equipment is available.

b. Major appliances purchased for state-owned or operated facilities, including residential facilities, to the extent Energy Star® certified equipment is available.

B. The Department of Management and Budget, in cooperation with departmental Energy Use Reduction Coordinators designated under Section III.A and the State Energy Office, shall seek to qualify buildings occupied by state departments and agencies for Energy Star® designation.

C. The Department of Management and Budget, after consultation with the State Energy Office, shall establish procedures to require that when the state is entering into a lease agreement for a state department or agency to occupy a portion or all of a building leased by this state at a new location, the building qualifies for Energy Star® designation whenever feasible.

D. The Department of Management and Budget shall encourage state institutions of higher education and public community and junior colleges in this state to also seek to qualify buildings for Energy Star® designation.

E. The Department of Management and Budget shall pursue, on behalf of the State of Michigan, designation as an Energy Star® Leader.

VI. STATE LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN FOR NEW CONSTRUCTION (LEED)

A. The Department of Management and Budget, after consultation with the State Energy Office, shall implement procedures to require that all state-supported capital outlay projects, whether for state departments or agencies, universities, or community colleges, be designed and constructed in accordance with the Leadership in Energy and Environmental Design (LEED) Green Building Rating System developed by the United States Green Building Council to assure that new buildings or major renovations of existing buildings costing \$1 million or more in total renovation project costs are energy efficient and environmentally sustainable.

B. The Department of Management and Budget, after consultation with the State Energy Office, shall implement procedures to assure that all new state-owned buildings and all newly constructed buildings leased by the state are designed and constructed in accordance with the Leadership in Energy and Environmental Design (LEED) Green Building Rating System developed by the United States Green Building Council.

C. In complying with the requirements of this Section VI, the Department of Management and Budget, after consultation with the State Energy Office, shall do all of the following:

1. Assure that the design and construction of new state-owned or leased buildings is accomplished consistent with LEED guidelines. When determined by the Department of Management and Budget to be attainable, the Department shall strive to obtain a score for the building of Platinum Level on the LEED New Construction scorecard.
2. Assure that the design and construction of building renovation projects costing \$1 million or more in total renovation project costs are accomplished consistent with LEED guidelines. When determined by the Department of Management and Budget to be attainable, the Department shall strive to obtain a score for the renovation of Platinum Level on the LEED Existing Building scorecard and of Platinum Level on the LEED Commercial Interiors scorecard. This paragraph shall not be interpreted to require an entire building to be renovated to obtain LEED points when the building renovation project is for a portion of a building.
3. Assure that the design and construction of facilities maintenance and minor renovation projects are accomplished consistent with LEED guidelines. This paragraph shall not be interpreted to mandate the use of a LEED scoring system.
4. Join, along with other principal state departments as the Department of Management and Budget deems necessary, the United States Green Building Council.

VII. USE OF GREEN LODGING MICHIGAN PROGRAM

A. Departments and agencies are encouraged whenever practical and cost-efficient to utilize

meeting or conference facilities and lodging facilities participating in the Green Lodging Michigan Program jointly administered by the Department of Environmental Quality and the State Energy Office.

VIII. MATERIALS MANAGEMENT PLAN

A. By July 1, 2008, the Department of Management and Budget, in cooperation with the Department of Environmental Quality, shall develop and implement a state materials management plan to promote, whenever feasible, environmentally-sound purchasing, use, reuse, and recycling of materials by state departments and agencies. The plan shall provide for all of the following:

1. An inventory of existing efforts in state government related to environmentally-sound purchasing, use, reuse, and recycling of materials.
2. Recommendations to expand the use of environmentally-sound purchasing, use, reuse, and recycling of materials by state departments and agencies.
3. Review of waste stream management to enhance reuse and recycling efforts and maximize return to the state.
4. A pollution prevention and recycling guidance document for departments and agencies to assist employees in maximizing the effectiveness of environmentally-sound purchasing, use, reuse, and recycling of materials.
5. Implementation of an education and information program to assist state employees in the practice of recycling and pollution prevention, including, but not limited to environmentally-preferred procurement options, reduction in the use of products and materials, and increased opportunities for reuse and recycling as provided under Section 16502 of the Natural Resources and Environmental Protection Act, 1994 PA 451, MCL 324.16502.

IX. RECOGNITION OF EFFORTS TO IMPROVE STATE ENERGY EFFICIENCY

A. The Department of Environmental Quality, in cooperation with the Department of Management and Budget and the State Energy Office, shall establish an annual award program to be known as the Governor's Award for Excellence in Energy Efficiency to annually recognize and reward state department or agency progress in implementing cost-effective energy efficiency and Energy Conservation Measures and for achieving energy savings consistent with this Directive.

X. IMPLEMENTATION AND ENFORCEMENT

A. The Department of Environmental Quality, the Department of Management and Budget, the State Energy Office and the Michigan Public Service Commission shall provide technical

assistance to state departments and agencies in implementing this Directive.

B. The Department of Environmental Quality and the Department of Management and Budget shall adopt policies and procedures to require all principal departments to prepare an annual report describing steps taken to comply with this Directive, including, but not limited to, department progress in employing strategies to improve energy efficiency, implementation of energy conservation measures, and savings achieved.

C. All departments and agencies shall assist the Department of Environmental Quality and the Department of Management and Budget, as necessary, in implementing the requirements of this Directive.

D. The Department of Environmental Quality and the Department of Management and Budget shall enforce the requirements of this Directive and any policies, procedures, or department directives issued to implement this Directive pursuant to The Management and Budget Act, 1984 PA 431, MCL 18.1101 to 18.1594.

E. Reports of violation of the requirements of this Directive shall be transmitted to the Director of the Department of Environmental Quality and the Director of the Department of Management and Budget.

F. This Directive supersedes Executive Directives 2005-4 and 2007-6. Executive Directives 2005-4 and 2007-6 are rescinded in their entirety.

This Directive is effective immediately.

Given under my hand this 14th day of November in the year of our Lord, two thousand and seven.

JENNIFER M. GRANHOLM
GOVERNOR

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