



December 5, 2019

Honorable Thomas P. DiNapoli  
Comptroller  
Office of the State Comptroller  
110 State Street, 15<sup>th</sup> Floor  
Albany, NY 12236

Re: Audit Report- 2018-S-62, Issued 9/9/2019

Dear Comptroller DiNapoli,

Thank you for the opportunity to respond to the Office of the State Comptroller's ("OSC") above-referenced final audit report titled *Compliance with Executive Order 88: Energy Efficiency of State Buildings*. On behalf of the Office of General Services ("OGS") and pursuant to Executive Law §170, I write to provide confirmatory information concerning OGS's responses to OSC's three recommendations detailed in the final audit report.

We agree with the audit findings. OGS has a long history of stewardship and innovation in energy reduction and building management. Currently, OGS has achieved Department of Energy ("DOE") Energy Star Ratings in 9 of the 21 buildings associated with the EO88 portfolio (the Empire State Plaza and the Harriman Campus are each considered one building in this portfolio). Under a previous energy reduction order, Executive Order 111, agencies were directed to achieve a 35% reduction in energy consumption in all buildings they own, lease or operate by 2010. Under Executive Order 111, OGS exceeded the goal and reduced agency-wide energy consumption from 1990 levels by 36.5%. With the introduction of EO88 in 2012, the Agency was tasked to improve energy performance by a further 20% by 2020.

The actions undertaken by OGS to date have resulted in achieving nearly 13% of the 20% goal. When OGS meets the goal of EO88, the OGS portfolio will realize an overall energy consumption reduction in excess of 55% from 1990 levels. These results are not adjusted for the effect of the Governor's restacking initiative, which moved State agencies from private leases to State-owned properties to create efficiencies and generate cost savings. The restacking initiative grew the OGS portfolio through the addition of facilities and/or increased building occupancy. OGS has continued to reduce its overall consumption despite the increased draw on energy loads resulting from portfolio growth.

Response to Recommendations:

OSC Recommendation (1): Develop a contingency plan to replace the SAP.

OGS Response: We agree and note a contingency plan was in the process of being developed although it was not finalized at the time of the audit. Because OGS had already achieved substantial energy reductions through smaller projects, it was necessary to explore larger, and more expansive energy projects to achieve the goals set forth in EO88. One of the most efficient options to reach the energy goals was the former Sheridan Avenue Project (SAP) noted by OSC. While OSC found that OGS should develop a contingency plan for this project, OGS contends that large-scale capital projects typically take multiple years to plan and design, a year to bid and procure, and several years of construction. As a control agency, OSC is well-versed in this process, and is a key player in the approval of these types of projects. The ability to quickly change direction is nearly impossible.

During the time period of the audit, the creation of a contingency plan was in progress, but such a shift in planning takes time to redirect projects and resources. The contingency plan has since been made public, and it will meet and exceed the OGS EO88 goals through the following projects:

- (1) A large electric chiller will replace one of five steam driven chillers at the plaza chill plant, which will lower natural gas usage at the Sheridan Steam Plant.
- (2) LED lighting will be installed in all the office buildings at the Empire State Plaza. The new lighting system is estimated to save ~10,700,000 kWh annually and reduce the plaza demand by about 2.7MW.
- (3) High-efficiency low-emission emergency backup generators will be installed at the Sheridan Avenue Steam Plant to replace the current aging diesel generators. This action will reduce noise and local neighborhood emissions.
- (4) A large-scale solar power generating facility will be constructed on OGS property to generate up to 30+ megawatts of green power that would be used to power the Empire State Plaza. This project will add green energy to the grid and provide up to 50% of the ESP electrical load through renewable energy.

Combined with projects currently underway, these initiatives will push OGS over the EO88 goal of a 20% reduction in source emissions. In addition, OGS would like to note that although the concerns raised by community members and environmental advocates were a catalyst for the review of alternative solutions to the SAP, the evolution of the State's energy policy has also played a significant part in the decision to direct NYPA and OGS to using renewable energy.

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OSC Recommendation (2): Continue implementing capital projects that reduce energy usage.

OGS Response: We agree with this recommendation. Currently, OGS has added projects in Binghamton, Hampton Plaza, and Harriman Buildings 18 and 21, which are predicted to further reduce the State's energy load by an additional 3%.

OSC Recommendation (3): Continue developing energy-saving capital projects to contribute toward the collective 20 percent energy reduction of ASEs.

OGS Response: We agree with this recommendation. The projects listed above will allow OGS to achieve the 20% energy reduction goal of EO88 by having the projects approved for design before the sunset date of the executive order.

Sincerely,

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