

**Comments Received From  
North Carolina Hospital Association  
Certificate of Need Section of DHSR  
July 2010**

On July 26, 2010, NCHA sponsored a meeting for the planners of its member hospitals to meet with John Young (Chairman of the Facility Energy/Efficiency and Sustainability Work Group of the State Health Coordinating Council) and Gene DePorter (Assistant Chief of the Division of Health Services Regulation, State Medical Facilities Planning Section) to discuss POLICY GEN-4: Energy Efficiency and Sustainable Design and Development (as it currently appears in the Governor’s Proposed 2011 State Medical Facilities Plan). The following table is a comparison of the Energy Policy as it currently reads, recommendations for change to proposed Policy GEN-4, as compared to three options as proposed by the hospital planners group.

<p style="text-align: center;"><u><b>Current</b></u> <b>2011 Proposed SMFP</b> <b>POLICY GEN-4: ENERGY EFFICIENCY AND SUSTAINABLE BUILDING DESIGN AND CONSTRUCTION</b></p>	<p style="text-align: center;"><u><b>Reason for Change</b></u> <b>2011 Proposed SMFP</b> <b>POLICY GEN-4: ENERGY EFFICIENCY AND SUSTAINABLE BUILDING DESIGN AND CONSTRUCTION</b></p>	<p style="text-align: center;"><u><b>Recommended Alternative Wording</b></u> <u><b>Changes Received During the Public Hearing Process for the</b></u> <u><b>2011 Proposed SMFP</b></u> <b>POLICY GEN-4: ENERGY EFFICIENCY AND SUSTAINABLE BUILDING DESIGN AND CONSTRUCTION</b></p>
<p>The obligation of any person for a capital expenditure exceeding <del>two</del> five million dollars (<del>\$2</del> \$5 million in the 2012 SMFP) to develop, replace or renovate a health service facility pursuant to G.S. § 131E-176 (16)(a),(b) and (q) shall be to submit a certificate of need application providing a detailed description of the energy efficiency and water conservation measures undertaken that addresses the following at a minimum:</p> <ol style="list-style-type: none"> <li>1. The applicant shall provide an energy efficiency and water conservation plan based upon: building orientation; massing and space planning; high-efficiency building envelope design; day-lighting and lighting controls integrated with day-lighting; energy-efficient building mechanical and electrical systems, and other sustainable strategies.</li> </ol>	<p><u>Identification of information location in a CON application:</u> # 1 (submission of an energy efficiency and water conservation plan) of Policy GEN-4 should be submitted as an appendix to a certificate of need application to be consistent with the current sequencing guidelines for CON application development. The appendix location should be sited in response to Question 7 of Section XI.-Site Information/Construction Design of the CON application.</p>	<p><u><b>Alternative 1. Certificate of Need Section</b></u> Any person proposing to develop or replace a health service facility [or conduct a renovation valued at more than \$5,000,000 (apply to the 2012 SMFP)] pursuant to G.S. § 131E-176 (16)(a), (b) and (q) shall include in its certificate of need application a detailed description of the energy efficiency and water conservation measures undertaken that addresses the following at a minimum: building orientation; massing and space planning; high-efficiency building envelope design; day-lighting and lighting controls integrated with day-lighting; energy-efficient building mechanical and electrical systems, and other sustainable strategies. The plan shall not adversely affect patient or resident health, safety or infection control.</p> <p>Applicants for a replacement facility shall provide historic energy and water consumption operating expenses for the last three full business years prior to filing the certificate of need application. The plan shall</p>

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<p>a. The plan shall contain a detailed narrative of project sustainability objectives and quantified annual percent reduction in energy use and indoor/outdoor potable water use.</p> <p>b. The plan shall not adversely affect patient or resident health, safety or infection control.</p> <p>2. The applicant shall provide historic energy and water consumption operating expenses for the last three full business years prior to filing the certificate of need application for a replacement facility. If the Certificate of Need application is for a new facility, not exempt by any other statute, the applicant shall respond to Item 1 (a) and (b) above.</p> <p>3. The applicant shall document the date and participants of a pre-filing conference which includes the applicant and applicant's project architect and engineer as well as representatives from the Division of Health Service Regulation: Certificate of Need, Medical Facilities Planning, and Construction Sections.</p>	<p><u>Eliminate # 3 of the Current Policy GEN-4.</u> This step adds unnecessary cost to a proposed project and can be addressed when the applicant interfaces with the Construction Section of DHSR.</p>	<p>contain sustainability objectives and quantified annual percent reduction in energy use and indoor/outdoor potable water use.</p> <p><b><u>Alternative 2. North Carolina Hospital Association</u></b> The Facility Energy Efficiency and Sustainability Work Group will develop and propose recommended standards for consideration and approval by the State Health Coordinating Council and the Governor, with enforcement by the Construction Section of the Division of Health Service Regulation. Certificates of Need and exemptions from review issued by the Certificate of Need Section will include the condition that recipients conform to the requirements of the Construction Section.</p> <p>Any person proposing a capital expenditure exceeding \$5 million to develop, replace, renovate, or add to a health service facility pursuant to GS-131E- 176 or GS 131E-184 shall be required to develop and implement plans for the project that conform to these specific energy efficiency and sustainability standards.</p> <p><b><u>Alternative 3. North Carolina Hospital Association</u></b> Any person proposing a capital expenditure exceeding \$5 million to develop, replace, renovate, or add to a health service facility pursuant to GS-131E-176 or GS 131E-184 shall be required to develop and implement plans for the project that conform to these specific energy efficiency and sustainability</p>
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		<p>standards.</p> <ol style="list-style-type: none"><li>1. The applicant shall provide an energy efficiency and water conservation plan based upon: building orientation; massing and space planning; high-efficiency building envelope design; day-lighting and lighting controls integrated with day-lighting; energy-efficient building mechanical and electrical systems, and other sustainable strategies.<ol style="list-style-type: none"><li>a. The plan shall contain a detailed narrative of project sustainability objectives and quantified annual percent reduction in energy use and indoor/outdoor potable water use</li><li>b. The plan shall not adversely affect patient or resident health, safety or infection control.</li></ol></li><li>2. The applicant shall provide historic energy and water consumption operating expenses for the last three full business years prior to filing the certificate of need application for a replacement facility. If the Certificate of Need application is for a new facility, not exempt by any other statute, the applicant shall respond to Item 1 (a) and (b) above.</li></ol> <p>The Facility Energy Efficiency and</p>
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		<p>Sustainability Work Group will develop and propose recommended standards for consideration and approval by the State Health Coordinating Council and the Governor with enforcement by the Construction Section of the Division of Health Service Regulation for the 2012 Proposed Plan. Certificates of Need and exemptions from review issued by the Certificate of Need Section will include the condition that recipients conform to the requirements of the Construction Section.</p> <p><b><u>Alternative 4. North Carolina Hospital Association</u></b></p> <p>Any person proposing to develop or replace a health service facility [or conduct a renovation valued at more than \$5,000,000 (to be added in 2012)] pursuant to G.S. 131E-176 (16)(a), (b) and (q) shall include in its certificate of need application a detailed description of the energy efficiency and water conservation measures undertaken that addresses the following at a minimum: building orientation; massing and space planning; high-efficiency building envelope design; day-lighting and lighting controls integrated with day-lighting; energy-efficient building mechanical and electrical systems, and other sustainable strategies. The plan shall not adversely affect patient or resident health, safety or infection control.</p>
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Definitions:

ASHRAE- American Society of Heating, Refrigerating and air-conditioning engineers, Inc.

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Energy Efficient and Sustainable Design- the avoidance of resource depletion of energy, water and raw materials; prevent environmental degradation caused by facilities and infrastructure throughout their life cycle; and create buildings that are livable, comfortable, safe and productive.

"Major Facility Construction Project"- 20,000+ Square feet of occupied or conditioned space

"Major Facility Renovation Project"- when the cost of the project is greater than 50% of the insured value prior to renovation and the renovated portion is > 20,000 square feet.