

STAND. COM. REP. NO.

**1636**

Honolulu, Hawaii

APR 05 2007

RE: H.B. No. 1787  
H.D. 1  
S.D. 2

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 1787, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ENERGY RESOURCES,"

begs leave to report as follows:

The purpose of this measure is to promote the application for energy efficiency performance contracts by state agencies.

Specifically, this measure:

- (1) Replaces the definition of "energy-savings performance contract" with "energy performance contract" along the lines of how that term is defined in section 36-41(d), Hawaii Revised Statutes;
- (2) Extends the maximum term of energy performance contracts from fifteen to twenty years;
- (3) Includes commissioning and retro-commissioning in the definition of energy performance contracts for state facilities;
- (4) Deletes provisions authorizing the Comptroller and Director of Finance to exempt an energy project from advertising and competitive bidding requirements; and



- (5) Allows the Comptroller, rather than the senior agency officer, along with the Director of Finance to approve any alterations of energy performance contracting.

Comments in support of this measure were submitted by the Department of Business, Economic Development, and Tourism, the Department of Accounting and General Services, the Hawaii Energy Policy Forum, Honolulu Seawater Air Conditioning, LLC, the Sierra Club, Hawaii Chapter, and thirteen concerned individuals. Hawaiian Electric Company submitted comments on this measure.

Your Committee finds that extending the duration of energy performance contracts from fifteen to twenty years, and providing greater flexibility in the procurement exemption process for state energy projects will lead to the promotion of energy efficiency in state contracting. As a result, the State as a whole will experience greater conservation and energy efficiency. Your Committee further finds that it is important to include commissioning and retro-commissioning in the definition of energy performance contracts for state facilities to ensure that energy performance meets and continues to meet established criteria.

Your Committee has amended this measure by:

- (1) Adding definitions of "commissioning" and "retro-commissioning"; and
- (2) Replacing "section 103D-208" with the words "or their designees" at page 5, line 6.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1787, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1787, H.D. 1, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,




ROSALYN H. BAKER, Chair



The Senate  
Twenty-Fourth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

|   |                     |                 |          |          |
|---|---------------------|-----------------|----------|----------|
| Bill / Resolution No.:*   | Committee Referral: | Date:           |          |          |
| HB 1787 HDI, SDI  | ENE, WAM            | 3/29/07         |          |          |
| <input type="checkbox"/> The committee is reconsidering its previous decision on this measure.<br>If so, then the previous decision was to: _____ |                     |                 |          |          |
| The Recommendation is:  |                     |                 |          |          |
| <input type="checkbox"/> Pass, unamended<br>2312  |                     |                 |          |          |
| <input checked="" type="checkbox"/> Pass, with amendments<br>2311   |                     |                 |          |          |
| <input type="checkbox"/> Hold<br>2310   |                     |                 |          |          |
| <input type="checkbox"/> Recommit<br>2313   |                     |                 |          |          |
| Members   | Aye                 | Aye (WR)        | Nay      | Excused  |
| BAKER, Rosalyn H. (C)   | /                   |                 |          |          |
| TSUTSUI, Shan S. (VC)   | /                   |                 |          |          |
| CHUN OAKLAND, Suzanne   | /                   |                 |          |          |
| ENGLISH, J. Kalani  | /                   |                 |          |          |
| FUKUNAGA, Carol   | /                   |                 |          |          |
| HOOSER, Gary L.   | /                   |                 |          |          |
| KIM, Donna Mercado  | /                   |                 |          |          |
| MENOR, Ron  |                     |                 |          | /        |
| TOKUDA, Jill N.   | /                   |                 |          |          |
| HEMMINGS, Fred  | /                   |                 |          |          |
| WHALEN, Paul  | /                   |                 |          |          |
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| <b>TOTAL</b>  | <b>10</b>           | <b>0</b>        | <b>0</b> | <b>1</b> |
| Recommendation:   |                     |                 |          |          |
| <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted  |                     |                 |          |          |
| Chair's or Designee's Signature:  |                     |                 |          |          |
|    |                     |                 |          |          |
| Distribution:   |                     |                 |          |          |
| Original  | Yellow              | Pink            |          |          |
| File with Committee Report  | Clerk's Office      | Drafting Agency |          |          |

\*Only one measure per Record of Votes