



HCR 288
Bill No. HR 209

March 23, 2010

Date 3/23

House of Representatives
Twenty-Fifth Legislature, 2010
State of Hawaii

Time 600

Cat AF AS AX (B)

Attention: **Committee on Energy and Environmental Protection**
Hermina Morita, Chair
Denny Coffman, Vice Chair

Type 1 (2) WI

Hearing: **March 23, 2010**
10:00 PM
Conference Room 325

Re: SUPPORT FOR HCR 288/HR 209

Chair Morita
Vice Chair Coffman
Committee Members:

This testimony is submitted in support of HCR 288/HR 209, to explore ways to help nurture local energy services companies.

Energy Industries, LLC (EI) is one of Hawaii's leading energy conservation specialists. We are a Hawaii-based energy-services company that has helped thousands of businesses to reduce energy consumption through energy efficiency measures.

EI was not selected to be on the State's Pre-qualified ESCO (energy-services company) list which included 6 multi-national companies headquartered elsewhere. These pre-qualified companies compete against each other to provide services to the State under "performance contracts" that can range from \$20 Million to \$40 Million. As an example, the "Capitol District" performance contract to upgrade 10 large State buildings was issued at \$33 Million.

While much of the labor will be subcontracted to local companies, jobs such as engineering, design, financial analysis, procurement, project management, financial management, and energy policy development will be performed by professionals in other states. In addition, the profits from these large long-term contracts will go to out-of-state companies.

By modifying the current policies to allow inclusion of capable Hawaii energy companies like EI, it will help in the long-term development of local energy efficiency expertise in Hawaii. This might be done through set-aside projects or preferences to Hawaii-based companies. Thank you for your consideration.

Sincerely,

Miles M. Kubo
Executive Vice President/COO