

Honolulu, Hawaii

APR 23 2018

RE: H.C.R. No. 123  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committees on Government Operations and Transportation and Energy, to which was referred H.C.R. No. 123 entitled:

"HOUSE CONCURRENT RESOLUTION REQUESTING A STUDY OF POTENTIAL PROJECTS THAT WOULD REDUCE ENERGY COSTS FOR ALL STATE DEPARTMENTS AND AGENCIES,"

beg leave to report as follows:

The purpose and intent of this measure is to request:

- (1) The Department of Accounting and General Services to examine projects that would reduce energy costs for state departments and agencies and report to the Legislature prior to the 2019 Regular Session;
- (2) The Office of the Auditor to examine potential energy savings costs for state departments and agencies and report to the Legislature prior to the 2019 Regular Session; and
- (3) The State Procurement Office to update and publish the Energy Savings Performance Contracting list that includes a list of all pre-qualified energy service companies (ESCOs) no later than July 1, 2018.

Your Committees received testimony in support of this measure from Ulupono Initiative, O'ahu County Committee on Legislative



Priorities of the Democratic Party of Hawai'i, and NORESKO. Your Committees received comments on this measure from the Department of Accounting and General Services, Office of the Auditor, and State Procurement Office.

Your Committees find that ensuring that state departments and agencies employ the latest energy efficiency measures not only supports the State's long-term viability, but also increases government efficiency. Your Committees also find that section 36-41, Hawaii Revised Statutes, codifies the requirement that government agencies "evaluate and identify for implementation energy efficiency retrofitting through performance contracting". However, your Committees find that even though the annual cost of electricity is increasing, the maintenance of state facilities is regularly being deferred, exacerbating the amount the State spends on electricity. Therefore, your Committees find that the Department of Accounting and General Services and the Office of the Auditor should examine potential energy savings costs for state departments and agencies. Further, your Committees find that the State Procurement Office should update and publish the Energy Savings Performance Contracting list that includes a list of all pre-qualified ESCOs.

Your Committees also note that the previous Energy Savings Performance Contracting list expired in early 2017 and despite significant notice that the list was set to expire and ample time since the expiration of the list, the Department of Accounting and General Services has not finalized the criteria for issuing a new solicitation for energy service companies to compile a new Energy Savings Performance Contracting list. While your Committees recognize that the Department of Accounting and General Services has been operating with reduced staffing, your Committees find that finalizing the updated Energy Savings Performance Contracting list is essential for saving the State significant money on future projects and therefore, strongly urge the Department of Accounting and General Services to complete its process in a timely fashion. However, because of these delays, your Committees recognize that the State Procurement Office will not be able to publish an updated Energy Savings Performance Contracting list by July 1, 2018.

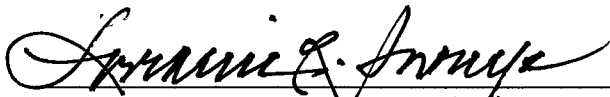
Accordingly, your Committees have amended this measure by changing the date by which the State Procurement Office is



requested to update and publish the Energy Savings Performance Contracting list that includes of all pre-qualified energy service companies to no later than December 30, 2018.

As affirmed by the records of votes of the members of your Committees on Government Operations and Transportation and Energy that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 123, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 123, S.D. 1.

Respectfully submitted on  
behalf of the members of the  
Committees on Government  
Operations and Transportation  
and Energy,


  
LORRAINE R. INOUE, Chair

  
DONNA MERCADO KIM, Chair



The Senate  
 Twenty-Ninth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Government Operations**  
**GVO**

Bill / Resolution No.:* <i>HCR 123</i>	Committee Referral: <i>GVO/TRE</i>	Date: <i>4/19/18</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KIM, Donna Mercado (C)	✓			
RUDERMAN, Russell E. (VC)				✓
GALUTERIA, Brickwood	✓			
KEITH-AGARAN, Gilbert S.C.				✓
RHOADS, Karl	✓			
<b>TOTAL</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original            Yellow            Pink            Goldenrod File with Committee Report            Clerk's Office            Drafting Agency            Committee File Copy				

\*Only one measure per Record of Votes

