

STAND. COM. REP. NO.

3306

Honolulu, Hawaii

**MAR 28 2018**

RE: S.R. No. 139  
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 Transportation and Energy and Government Operations, to which was referred S.R. No. 139 entitled:

"SENATE 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 the:

- (1) Department of Accounting and General Services to examine projects that would reduce energy costs for state departments and agencies, and submit a report of its findings and recommendations;
- (2) Office of the Auditor to examine potential energy savings costs for state departments and agencies, and submit a report of its findings and recommendations; and
- (3) State Procurement Office to update and publish the Energy Savings Performance Contracting list.

Your Committees received testimony in support of this measure from the State Procurement Office, Ulupono Initiative, and O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i. Your Committees received comments on this measure from



the Department of Accounting and General Services and Office of the Auditor.

Your Committees find that Hawaii has been a leader among governments committing to clean, renewable energy. Using renewable energy helps minimize the negative environmental consequences of using fossil fuel, allows Hawaii to be more energy independent, and reduces energy costs in the State. The latter is particularly important for state and county agencies, as the government is a major consumer of electricity, and millions of dollars can be saved through energy-efficient measures. However, your Committees note that despite laws requiring government agencies to identify and implement energy-efficient retrofits, maintenance has not been done regularly. In the face of increasing electricity costs, your Committees believe that identifying and implementing energy-efficiency projects, ranging from retrofitting buildings to investing in more energy efficient equipment, will reduce energy costs for state departments and agencies and is of utmost importance.

Your Committees note that the Office of the Auditor provided testimony concerned about its ability to complete an "energy audit", pointing to the:

- (1) Limited technical knowledge of energy-related technologies that the Office of the Auditor possesses, as it typically performs performance or management audits, rather than technical audits; and
- (2) Broad scope of the request to assess every state department and agency.

Your Committees further note that the State Procurement Office provided testimony explaining that publishing the Energy Savings Performance Contracting list by July 1, 2018, was infeasible. The State Procurement Office noted the timelines for previous vendor lists, pointing to the seven months and five months, respectively, required to receive and review competitive sealed proposals and qualify contractors for the past two Energy Savings Performance Contracting lists.

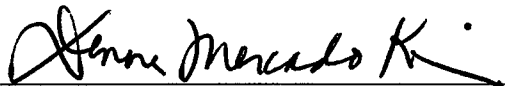
Accordingly, your Committees have amended this measure by:



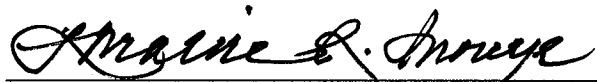
- (1) Requesting the Department of Business, Economic Development, and Tourism to examine projects that would reduce energy costs for state departments and agencies, instead of the Department of Accounting and General Services;
- (2) Requesting the Department of Business, Economic Development, and Tourism to work with the Office of the Auditor to examine potential energy savings costs for state departments and agencies;
- (3) Changing the date by which the State Procurement Office is requested to update and publish the Energy Savings Performance Contracting list, from July 1, 2018, to July 1, 2019; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 139, as amended herein, and recommend that it be referred to your Committee on Ways and Means, in the form attached hereto as S.R. No. 139, S.D. 1.

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



DONNA MERCADO KIM, Chair



LORRAINE R. INOUYE, Chair



The Senate  
 Twenty-Ninth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Transportation and Energy**  
**TRE**

Bill / Resolution No.:* <b>SR 139</b>	Committee Referral: <b>TRE/GVO, WAM</b>	Date: <b>3/27/2018</b>		
<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
INOUYE, Lorraine R. (C)	X			
ESPERO, Will (VC)	X			
ENGLISH, J. Kalani	X			
HARIMOTO, Breene				X
SHIMABUKURO, Maile S.L.				X
<b>TOTAL</b>	<b>3</b>			<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <span style="float:right;"><i>Will Espero</i></span>				
<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

The Senate  
 Twenty-Ninth Legislature  
 State of Hawai'i

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

Bill / Resolution No.:* <b>SR 139</b>	Committee Referral: <b>TRE/GVO, WAM</b>	Date: <b>3-27-18</b>		
<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				
<b>Members</b>	<b>Aye</b>	<b>Aye (WR)</b>	<b>Nay</b>	<b>Excused</b>
KIM, Donna Mercado (C)	<del>X</del>			
RUDERMAN, Russell E. (VC)	<del>X</del>			
GALUTERIA, Brickwood	<del>X</del>			
KEITH-AGARAN, Gilbert S.C.	<del>X</del>			
RHOADS, Karl	<del>X</del>			
<b>TOTAL</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</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				

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