



HOUSE COMMITTEE ON HOUSING

Feb.16, 2017, 9:30 A.M.

Room 423

(Testimony is 4 pages long)

TESTIMONY IN SUPPORT OF HB 1249 HD 1

Aloha Chair Brower, Vice Chair Nakamura, and Committee Members:

Blue Planet Foundation is in **support** of HB 1294 HD1, which would help to end a senseless cycle of energy waste in **commercial buildings**, by convening a task force to examine energy efficiency solutions such as stopping cold air conditioning from spilling onto the streets. We suggest amendments to direct the working group to submit its recommendations directly to the State Building Code Council.

Energy efficiency is a true bridge to 100% renewable energy in Hawai'i. **It is the cleanest, cheapest, and fastest growing source of clean energy in the state.** In its most recent program year, the state's energy efficiency program (Hawaii Energy, administered by the PUC), invested \$36 million to enable \$435 million in lifetime energy savings. This is but one illustration of how promoting energy efficiency is an investment in the economic and environmental security of our state.

Enacting effective state policy on energy efficiency can be difficult. Unlike other forms of clean energy, you cannot see, touch, or drive efficiency. Becoming more efficient means finding new ways to eliminate waste. Solving wasteful open-door air conditioning is exactly this type of opportunity. **In a race to the bottom, retailers and other businesses may feel forced let air conditioning spill onto the streets, simply because a single competitor is doing so.** This makes it an issue that is ripe for a policy solution.

New York City, a global leading business center, found a way to address this problem. A significant heat wave induced power outages in New York in 2006. During that time, it was common practice for commercial establishments and business to leave doors open on hot days allowing their air-conditioned environment to escape onto the sidewalk in an attempt to lure in pedestrians. This showed that open-door air conditioning was impacting everyone. In 2008, the city passed a law prohibiting commercial establishments from leaving their doors open while air conditioner or central cooling systems are on.

New York's solution was driven by facts. A 10,000 square foot business that leaves one door open for 8 hours a day, 5 days a week, from June – September, while running the air conditioner means:

- 1) Wasting 4,200 kilowatt hours of electricity;
- 2) Paying about \$1,000 more for electricity during summer, or \$250 a month;
- 3) Releasing more than 2 tons of unnecessary carbon dioxide.

In Hawai'i, year-round "summer" weather mean that our impacts are even higher. And this is compounded with our higher energy costs. It's easy to see why a retailer wouldn't want to be dragged into a downward spiral of "competitive" outdoor air conditioning. A New York City Department of Consumer Affairs (DCA) Commissioner noted, "this practice **should never be seen as a cost of doing business—but a harmful cost to our city's environment and a waste of money for the business.** We ask businesses to do the right thing by shutting their doors when the AC is on."

With respect to compliance with its prohibition, New York also provides an example. The DCA undertook a public awareness campaign to encourage compliance. This helps to shift from an enforcement issue, to instead a normative expectation that businesses are being responsible with our state's energy resources.

With HD1, this bill takes a more passive approach. It convenes a task force to examine solutions to energy efficiency more broadly in commercial structures.

SUGGESTED AMENDMENTS

We suggest amendments to address three issues with HD1:

1. *Report directly to the State Building Code Council.* In HD1, the Council is a member of the task force. A more typical, more efficient, and more effective approach would be to have the task force make recommendations directly to the Council, who are experts on considering changes to building and energy codes.
2. *Consider Hawaii Energy* as a participant, and potentially more suitable lead, for the working group. Hawaii Energy is the Public Utilities Commission-appointed administrator for energy efficiency programs. They frequently work on energy codes and standards, and with the building code council. Thus, we suggest conferring with Hawaii Energy on their interest and capacity to lead the working group.
3. *Eliminate delay.* In New York, the prohibition on open-door air conditioning went into effect within two years. Here, with the more passive approach of examining potential codes and standards, there is no reason to impose a two-year delay before the working group makes recommendations. Indeed, after that two-year period, there would be even more delay prior to any implementation. The public benefits of energy efficiency are too substantial for this type of delay.

Suggested additions are in underlining. For readability, deletions are not shown.

SECTION 2. (a) The director of business, economic development, and tourism shall establish the energy efficiency task force to make recommendations on building and energy code and standards for commercial buildings. The director shall initiate the organization of and provide staff support for the task force.

(b) The director shall invite representatives of the following agencies to participate in the task force:

(1) State energy office;

(2) State Building Code Council;

(3) A county building official from each of the four counties appointed by the mayor;

(4) Structural Engineers Association of Hawaii;

(5) American Institute of Architects, Hawaii State Council;

(6) The Public Benefits Fee Administrator (presently known as Hawaii Energy); and

(7) Additional members from various sectors, including, but not limited to energy efficiency experts, nonprofit organizations, and others to be selected at the discretion of the director.

The members of the task force shall serve without compensation. A single member may represent more than one of the seven enumerated task force participant categories.

(c) The task force shall make a report of its findings and recommendations, to the State Building Code Council no later than January 31, 2018. The report shall include, but shall not be limited to:

(1) New building and energy codes and standards that existing and new commercial buildings or structures will follow to become more energy efficient, particularly with respect to the problem of open-door air conditioning;

(2) Proposals to define allowable air curtain or other retrofit technologies sufficient to protect against the co-mingling of indoor and outdoor air in commercial buildings and structures;

(3) Proposals to implement design and construction codes and standards for new commercial construction to avoid open-door air conditioning in the future; and

(4) Proposals for codes and standards to be included in the state building and energy code with respect to commercial construction, to increase energy efficiency.

(d) The task force shall terminate no later than July 1, 2018.

Thank you for this opportunity to testify.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

LATE

DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: www.hawaii.gov/dbedt

Telephone: (808) 586-2355
Fax: (808) 586-2377

Statement of
LUIS P. SALAVERIA
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON HOUSING

Thursday, February 16, 2017
9:30 a.m.
State Capitol, Conference Room 423

In consideration of
HB1294, HD1
RELATING TO ENERGY EFFICIENCY.

Chair Brower, Vice Chair Nakamura, and members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) opposes HB1294, HD1. It is an unfunded mandate which requires DBEDT establish a task force to make recommendations on energy efficiency proposals and standards and provide an interim and final reports. We do not have the resources to staff and support research and analyses for such a task force. Many of the tasks already are conducted by the State Building Code Council (SBCC) so that HD1 would demand resources not available at DBEDT and replicate much of the work under the SBCC.

The concerns noted in the bill, as well as additional measures, are already or have been discussed by the SBCC. The updated 2015 International Energy Conservation Code (IECC 2015), which address residential and commercial buildings, is 30 to 33 percent more efficient than the present 2006 International Energy Conservation Code now in effect. The US Department of Energy's Pacific Northwest National Laboratory 2015 IECC estimates the cost-effectiveness of the residential code provisions to have a simple payback of 4.3 years. In addition, IECC 2015 specifies the following:

- Opaque and glass doors opening to the outdoors in hotel and motel sleeping units, guest suites and time-share condominiums, shall be provided with controls that disable the mechanical cooling, or reset the cooling set point to 90° F or greater within five minutes of the door opening.

- Mechanical cooling may remain enabled if the outdoor air temperature is below the space temperature.
- In certain types of buildings a master control device is required that is capable of automatically switching off all installed luminaires and switched receptacles within 20 minutes after all occupants leave the room.
- In new buildings with tenants, metering shall be collected for the entire building and individually for each tenant occupying 1,000 ft² (total enclosed and unenclosed) (93 m²) or more. Tenants shall have access to all data collected for their space. A tenant is defined as “one who rents or leases from a landlord.”

Air curtains and other technologies work in climates with greater temperature differences between indoor and outdoor temperatures. Climates in zones 1 and 2, which includes Hawaii, are exempt by the IECC. Nevertheless, air curtains could be an option if the building owner or designer knew that the tenant or occupant planned to leave the door or window open at all times; this tenant/occupant practice is not always known during the design phase and may change with a new occupant. Therefore, without foreknowledge of occupant use, requiring measures such as air curtains has not been accepted by the private sector who sit on the State Building Code Council.

Thank you for the opportunity to testify.

Testimony before the House Housing Committee

**By Michael Colón
Director, New Customer Initiatives
Hawaiian Electric Company, Inc.**



**Thursday, February 16, 2017
9:30 am
Conference Room 423**

House Bill 1294 HD 1 – Relating to Energy Efficiency

Chair Brower, Vice Chair Nakamura and Members of the Committee:

My name is Michael Colón and I am testifying on behalf of Hawaiian Electric Company and its subsidiary utilities, Maui Electric Company and Hawaii Electric Light Company (collectively, the “Hawaiian Electric Companies”).

House Bill 1294 HD 1 seeks to have the Department of Business, Economic Development and Tourism establish a task force to create energy proposals and standards.

The Hawaiian Electric Companies recommend that the stakeholder group conduct a comprehensive technical and economic review and coordinate with the building code council on final recommendations. The recommendations that come from the task force would serve as a strong underpinning to future legislative proposals to improve building code standards. It should be noted, that these recommendations may ultimately have tremendous impact on the Companies’ future energy planning from both a generation and grid investment perspective. Therefore the Companies respectfully request that they be included as an integral member of the stakeholder task force.

The Companies are encouraged by an increased interest and effort to improve energy efficiency through various means, and see value in the potential grid benefits that may result from leveraging technologies to not only reduce costs for all customers, but also to provide ancillary grid services through various pricing and incentive mechanisms as they become available. The Public Utilities Commission has several open dockets to help the Companies face the unique challenge of integrating increasing levels of distributed

generation on isolated electric systems, and aggregated energy efficiency measures that can support demand response signals from the utility may help to address certain grid stability issues and enable greater adoption of renewables onto the grid. Therefore it is incumbent that the Companies maintain an active role in the development of such standards as they move forward.

The Hawaiian Electric companies are committed to generate or procure 100% of the electricity they provide to customers from renewable energy sources by 2045. The more we can work in sync with our stakeholders, the greater our chance of succeeding as a whole.

Thank you for the opportunity to testify.



Hawai'i Energy

YOUR CONSERVATION & EFFICIENCY PROGRAM

1132 Bishop Street, Suite 1800 • Honolulu, Hawai'i 96813 • HawaiiEnergy.com • P: (808) 839-8880 • F: (808) 441-6068

Before the House Committee on Housing
Thursday, February 16, 2017, 9:30 A.M., Room 423
HB 1294 HD1: Relating to Energy Efficiency

LATE

Chair Brower, Vice-Chair Nakamura, and members of the committee, thank you for the opportunity to submit testimony on HB 1294 HD1. On behalf of the Hawai'i Energy program, I would like to testify in strong **support** for HB 1294 HD1.

Hawai'i Energy works to empower island families and businesses on behalf of the Hawai'i Public Utilities Commission (PUC) to make smart energy choices to reduce energy consumption, save money, and pursue a 100% clean energy future.

We strongly support HB1294 HD1. To reach 100% clean energy, there are two parts of the equation. What we produce, and what we consume. The first step, which is also the cheapest and fastest way to achieve 100% clean energy is reduce the energy we use.

In collaboration with the Hawai'i State Energy Office, Hawai'i Energy has strongly supported the State Building Code Council's (SBCC) proposal to amend the state's energy conservation code by: (i) repealing the 2006 International Energy Conservation Code (IECC), Hawai'i Administrative Rules (H.A.R.) Chapter 3-181; and (ii) adopting H.A.R. Chapter 3-181.1, based on the IECC 2015 Edition published by the International Codes Council, with amendments applicable to Hawai'i. We see this bill as an extension of our continued support in improving energy codes for the State of Hawai'i.

One sector of our society that uses a lot of energy is buildings – refrigeration, cooling, and lighting the places where we all work and live. Reducing wasteful energy use is something responsible business owners prioritize for improving both their bottom line and our islands for future generations.

Thank you for the opportunity to testify on HB 1294 HD1.

Brian Kealoha
Executive Director
Hawai'i Energy

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 15, 2017 4:49 PM
To: HSGtestimony
Cc: tyamaki@rmhawaii.org
Subject: Submitted testimony for HB1294 on Feb 16, 2017 09:30AM

LATE

HB1294

Submitted on: 2/15/2017

Testimony for HSG on Feb 16, 2017 09:30AM in Conference Room 423

Submitted By	Organization	Testifier Position	Present at Hearing
Tina Yamaki	Individual	Comments Only	No

Comments: See attached

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