

# SB2935

Measure Title: RELATING TO CONSUMER PROTECTION.

Report Title: Hawaii State Energy Office; Consumer Protection;  
Appliance Efficiency Standards

Description: Requires the Hawaii state energy office to adopt state  
appliance efficiency standards to protect consumers. (SD1)

Companion: [HB2248](#)

Package: None

Current Referral: TRE, CPH

Introducer(s): KOUCHI (Introduced by request of another party)



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

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DAVID Y. IGE  
GOVERNOR

LUIS P. SALAVERIA  
DIRECTOR

MARY ALICE EVANS  
DEPUTY DIRECTOR

**AMENDED**

Statement of  
**LUIS P. SALAVERIA**  
**Director**  
Department of Business, Economic Development, and Tourism  
before the  
**SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION & HEALTH**

Friday, February 23, 2018  
11:00 a.m.  
State Capitol, Conference Room 229

in consideration of  
**SB 2935, SD1**  
**RELATING TO CONSUMER PROTECTION.**

Chair Baker, Vice Chair Tokuda, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) offers comments and has concerns about SB2935, SD1, which requires the Hawaii State Energy Office (HSEO) to adopt administrative rules to adopt and enforce appliance efficiency standards and to test and certify appliances based on the California Code of Regulations. The appliances specifically named in the measure are faucets, showerheads, computers and monitors, high color rendering index florescent lamps, and commercial fryers.

While DBEDT's Hawaii State Energy Office (HSEO) concurs with the energy conservation and energy efficiency goals of this bill, we have concerns about how those goals would be achieved and do not support this bill as drafted. The Department's concerns about the bill are: (1) the costs to implement this bill would be significant and could not be absorbed in HSEO's existing special fund budget; and (2) HSEO does not have sufficient staff for regulation and enforcement.

SB2935, SD1, calls for Hawaii to adopt California's appliance energy efficiency standards. These standards are robust and among the preeminent standards in the country, but they would be expensive to develop, implement, and enforce. In addition, replicating

California's oversight functions would require significant resources. As HSEO is a special-funded office, these costs could not be borne by its existing allocation of the barrel tax. Furthermore, this bill requires oversight by an agency well-versed in appliance energy efficiency standards and in evaluating the energy efficiency of consumer goods. This activity is outside HSEO's jurisdiction, and it would be difficult to use existing staff expertise to enforce these provisions.

Thank you for the opportunity to offer testimony on SB2935, SD1.

**SB-2935-SD-1**

Submitted on: 2/22/2018 2:19:48 AM

Testimony for CPH on 2/23/2018 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Melodie Aduja	Testifying on behalf of OCC Legislative Priorities Committee, Democratic Party of Hawai'i	Support	No

Comments:

**SB-2935-SD-1**

Submitted on: 2/22/2018 12:59:56 PM

Testimony for CPH on 2/23/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Matt Sigler	Testifying for Plumbing Manufacturers International	Oppose	No

Comments:

Senators-

In advance of the meeting of the Senate Committee on Commerce, Consumer Protection, and Health to consider SB 2935 that would amend appliance efficiency standards, including lowering flow rates of faucets and showerheads to California levels, Plumbing Manufacturers International (PMI) is reaching out to share our **serious concerns** with this measure. Please refer to the attached comment letter for details.

I look forward to further speaking with you on this legislation and making improvements. Please do not hesitate to contact me if you have any questions.

*PMI is the U.S.-based trade association representing manufacturers that provide 90% of the plumbing products sold in the United States. We have made the promotion of water safety and efficiency a top priority and have included this in our mission statement. PMI's members are industry leaders in producing safe, reliable and innovative water-efficient plumbing technologies.*

Regards,

**Matt Sigler**

Plumbing Manufacturers International

Technical Director

847-217-7212

Email: [msigler@safep plumbing.org](mailto:msigler@safep plumbing.org)

[www.safep plumbing.org](http://www.safep plumbing.org)



February 22, 2018

Senator Rosalyn H. Baker  
Chair of the Senate Committee on Commerce, Consumer Protection, and Health  
Senate District 6  
Hawaii State Capitol, Room 230

**PMI 2018**  
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**RE: HAWAII SB 2935 – CONSUMER PROTECTION**

Dear Senator Baker:

Plumbing Manufacturers International (PMI) appreciates this opportunity to provide comments regarding Hawaii SB 2935 that looks to adopt appliance efficiency standards within the State of Hawaii that are modeled after Title 20 of California’s Code of Regulations.

PMI is an international, U.S.-based trade association representing manufacturers that provide 90% of the plumbing products sold in the United States. We have made the promotion of water safety and efficiency a top priority and have included this in our mission statement<sup>1</sup>. PMI’s members are industry leaders in producing safe, reliable and innovative water efficient plumbing technologies and have supported the U.S. EPA WaterSense® program since its inception.

Regarding the proposed bill, PMI has the following comments for your committee to consider:

- Based on the November 2017 white paper titled: *“Adapting to Change: Utility Systems and Declining Flows”*<sup>[1]</sup>, where issues with California’s drinking water, wastewater and recycled-water infrastructures have been highlighted due to reductions in indoor water use, PMI believes that the State of Hawaii should first analyze the impact on its infrastructures before lowering the water consumption levels of plumbing fixtures and fixture fittings below current state levels. Without such an analysis, there could be possible risks to public health.
- If the State of Hawaii decides to lower the water consumption levels of faucets and showerheads below current state levels, PMI believes that the state should adopt maximum flow rates of 1.5 gpm for private-use lavatory faucets (which includes residences and private restrooms in hotels and hospitals) and 2.0 gpm for showerheads that are consistent with the

<sup>1</sup>PMI’s Mission: To promote the water efficiency, health, safety, quality and environmental sustainability of plumbing products while maximizing consumer choice and value in a fair and open marketplace. To provide a forum for the exchange of information and industry education. To represent openly the members’ interests and advocate for sound environmental and public health policies in the regulatory/legislative processes. To enhance the plumbing industry’s growth and expansion.

<sup>[1]</sup>“Adapting to Change: Utility Systems and Declining Flows,” California Association of Sanitation Agencies (CASA), Water Research Foundation (WRF), WaterReuse California, California Water Environment Association (CWEA) and California Water Urban Agencies (CUWA), November 2017, [http://www.cuwa.org/pubs/CUWA\\_DecliningFlowsWhitePaper\\_11-28-17.pdf](http://www.cuwa.org/pubs/CUWA_DecliningFlowsWhitePaper_11-28-17.pdf).

EPA WaterSense® program. Such requirements will ensure that lavatory faucets are not only 30% more water efficient, and for showerheads 20% more water efficient, than federal regulations (or what is currently permitted in Hawaii), but are also required to meet high performance standards.

- As far as the effective date of the proposed bill, PMI believes that in order for retailers and distributors to meet the new efficiency standards without incurring excessive costs or hardship, the standards should only apply to products manufactured after January 1, 2020. Other states such as California have used this approach which has allowed retailers and distributors to sell through existing inventories while ensuring that products brought into stores after January 1, 2020 meet the new efficiency standards.

Thank you for considering our comments. If you have any questions regarding our comments, please do not hesitate to contact me.

Sincerely,



Matt Sigler  
Technical Director  
Plumbing Manufacturers International  
Office 847-217-7212  
[msigler@safeplumbing.org](mailto:msigler@safeplumbing.org)

cc: PMI Board of Directors  
Senator Jill N. Tokuda  
Senator Stanley Chang  
Senator Will Espero  
Senator Les Ihara Jr.  
Senator Clarence K. Nishihara  
Senator Russell E. Ruderman

**PMI Members**

\*Bradley Corporation \*BrassCraft Mfg. Co. \*CSA Group \*Delta Faucet Company \*Dornbracht Americas \*Duravit USA  
\*Fisher Manufacturing Company \*Fluidmaster, Inc. \*Franke \*Global OEM \*Globe Union Group, Inc. \*Hansgrohe, Inc.  
\*Haws Corporation \*IAPMO \*InSinkErator \*International Code Council Evaluation Service \*Jing Mei Industrial (USA) Inc. \*KEROX  
\*Kohler Co \*Lavelle Industries, Inc. \*LIXIL \*LSP \*Moen Incorporated \*NEOPERL, Inc.  
\*NSF International \*Pfister \*Reliance Worldwide Corporation \*Similor AG \*Sloan Valve Company \*Speakman Company  
\*Symmons Industries, Inc. \*T & S Brass and Bronze Works, Inc. \*TOTO USA \*Viega LLC \*Water Pik, Inc. \*WCM Industries, Inc.



# 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 Senate Committee on Commerce, Consumer Protection, and Health  
Friday, February 23, 2018, 11:00 AM, Conference Room 229  
SB2935: Relating to Consumer Protection

Chair Baker, Vice-Chair Tokuda, and members of the committee:

The Hawai'i Energy program would like to testify in strong **support** for SB2935.

Hawai'i Energy is a ratepayer program which works to empower island families and businesses to make smart energy choices to reduce energy consumption, save money, and pursue a 100% clean energy future.

According to the "States Go First" report by the Appliance Standards Awareness Project, faucets, showerheads and computer and monitor standards alone could potentially save Hawai'i \$35 million in annual utility bill savings and 118 GWh annually in electricity by 2035, assuming full compliance by 2020. This would benefit not only state residents but also contribute significantly to helping the state achieve its Energy Efficiency Portfolio Standard of 4300 GWh reduction in electricity use by 2030.

Appliance standards have been adopted by a number of states, many of whom have looked to California state standards, federal standards as well as certifications such as ENERGY STAR and WaterSense for guidance. Thus, there is a low-cost implementation since these states are using identical standards. Since California drives the appliance market on the west coast, ensuring our standards are the same increases the likelihood of compliance while decreasing the need for enforcement.

In passing SB2935, Hawai'i will join the ranks of other states that have adopted appliance standards to achieve cost and energy savings for their residents. Hawai'i should strive to keep abreast as additional states such as Washington, Vermont, Massachusetts, Rhode Island and New York are pushing similar bills through this year's 2018 legislative session. To note, Washington and Vermont have passed similar appliance standard bills through their House committee as of the time of this writing.

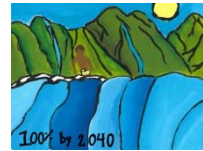
Appliance standards are especially important to protecting consumers here in Hawai'i where manufacturers and distributors can unload less efficient appliances that cannot be sold in states with higher efficiency standards. Appliances once shipped over to Hawai'i are all eventually consumed by state residents due to the prohibitive shipping costs back to the mainland. In order for Hawai'i to avoid becoming a "dumping ground" of older equipment, state appliance standards will help to prevent such equipment from being sold. **Hawai'i Energy is willing to provide assistance to the State agency responsible for code adoption to help in transferring California's standards to Hawai'i.**

As appliance standards are adopted in numerous states across the country, enforcement often comes up as a barrier. Some states have simply adopted the standard without any plan for enforcement knowing just adoption of standards based on California will drive better products to the market. Some states conduct spot checks at retailers to determine compliance. The level of compliance can be adjusted based on resource availability.

We respectfully request that the Committee move forward with SB2935.

Brian Kealoha  
Executive Director





## SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH

February 23, 2018, 11:00 A.M.

Room 229

(Testimony is 2 pages long)

### TESTIMONY IN STRONG SUPPORT OF SB 2935 SD1 WITH AMENDMENTS

Aloha Chair Baker, Vice Chair Tokuda, and Committee members:

Blue Planet Foundation **strongly supports** Senate Bill (SB) 2935 SD1, which sets in motion the adoption of state appliance efficiency standards that can lead to substantial savings for Hawaii residents and businesses. Blue Planet **suggests amendments** to the definitions and list of appliances and accompanying standards to be considered.

Appliances are far more efficient in their energy and water use than they were just years ago. Yet energy- and water-wasting devices are still being sold because Hawaii lacks consumer protection standards for energy and water efficiency in appliances. As a result, manufacturers will continue to offload in Hawaii the noncompliant appliances that they cannot sell in other states with more stringent standards.

#### **Substantial Savings for Hawaii Consumers**

Last year a national study by the Appliance Standards Awareness Project and the American Council for an Energy-Efficient Economy (ACEEE)<sup>1</sup> found that implementing a robust suite of appliance efficiency standards in Hawaii would save nearly \$1 billion in electricity costs over 20 years—about \$215 annually per household—with a payback that is 14 times more than the cost.

Senate Bill 2935 SD1 would establish minimum appliance efficiency standards for Hawaii, modeled after California's standards. California leads the way on appliance standards, and a number of other states have already followed suit or are in the process of proposing legislation, including Connecticut, New Hampshire, New York, Oregon, Rhode Island, Vermont, and Washington.

Although SB 2935 SD1 proposes a smaller subset of appliance standards than recommended in the ACEEE study, the saving potential is still substantial: nearly \$600 million in utility bill savings over 20 years for Hawaii, not to mention the corresponding kilowatt-hour savings that

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<sup>1</sup> See Joanna Mauer, Andrew deLaski, and Marianne DiMascio, *States Go First: How States Can Save Consumers Money, Reduce Energy and Water Waste, and Protect the Environment with New Appliance Standards*, available at <https://appliance-standards.org/document/report-overview-states-go-first>.

can help the state meet its energy efficiency portfolio standards, and carbon emissions reductions that can help us meet our climate goals under the Paris Agreement.

### **Cost-Effective with Low-Cost Implementation**

The standards referenced in SB 2935 SD1 are:

- **Cost effective:** Most of the products in the bill have no incremental cost, meaning that consumers will start saving right away. For others, utility bill savings pay back the incremental cost of products meeting the standards within a few months to just over a year. After that, savings accrue to the consumers.
- **Applicable to readily available products:** Products and technologies meeting the standards are readily available today from multiple manufacturers.
- **Ready to implement:** Each standard is ready to implement because other states are already using or proposing identical standards. Because the standards are already in place in other states (namely California), the Hawaii state agency tasked with implementation would simply adopt those standards, taking advantage of the extensive work that has already been done rather than starting from scratch.

### **Suggested Amendments**

Based on the findings in the ACEEE study mentioned above, Blue Planet recommends that lawn spray sprinklers be added to the list of appliances in SB 2935 because of the substantial potential for utility bill savings (\$174 million over 20 years) and water savings (24.3 billion gallons potential cumulative savings through 2035). Because California does not regulate spray sprinklers, this amendment would require that SB 2935 SD1 incorporate the preferred standard for spray sprinklers (the U.S. Environmental Protection Agency's "WaterSense" Specification for Spray Sprinkler Bodies, Version 1.0) into the text of the bill. Although we recognize the high savings potential of appliance standards for "high color rendering index fluorescent lamps" and "commercial fryers," for simplicity and to address concerns raised by stakeholders, Blue Planet recommends removing these appliances from the bill as currently drafted, tabling their inclusion for later discussion. Finally, Blue Planet recommends that definitions for the various appliances be incorporated into the bill to provide clarity and guidance to the department in rulemaking.

We respectfully request that the Committee forward SB 2935 SD1 with the suggested amendments. **If helpful to the Committee, Blue Planet is available to work with the Committee on drafting specific language to reflect these suggested amendments.**

Thank you for the opportunity to testify.



Consumer Federation of America



APPLIANCE STANDARDS  
AWARENESS PROJECT

February 22, 2018

Honorable Rosalyn Baker  
Chair, Hawaii Senate Commerce, Consumer Protection, and Health Committee  
[senbaker@capitol.hawaii.gov](mailto:senbaker@capitol.hawaii.gov)

Honorable Jill Tokuda  
Vice Chair, Hawaii Senate Commerce, Consumer Protection, and Health Committee  
[sentokuda@capitol.hawaii.gov](mailto:sentokuda@capitol.hawaii.gov)

RE: Support for SB 2935, Relating to consumer protection

Dear Senators Baker, Tokuda and Committee members:

The Appliance Standards Awareness Project (ASAP) and the Consumer Federation of America (CFA) are writing in support of SB 2935. ASAP is a coalition project that includes representatives from energy efficiency, consumer and environmental advocacy groups, state government, and utilities. ASAP works to advance cost-effective appliance standards at the national and state level. CFA is an association of more than 250 nonprofit consumer organizations that was established in 1968 to advance the consumer interest through research, advocacy, and education. It has long advocated for cost-effective energy and water efficiency standards as they benefit consumers through lower utility bills.

We strongly support SB 2935, which would adopt energy and water efficiency standards to protect consumers. With Hawaii's highest-in-the-nation electricity prices and high per household outdoor water use, SB 2395 presents an excellent opportunity to reduce energy and water waste and lower consumer utility bills.

The bill would adopt minimum efficiency standards for common household products, including the newest computer, faucet, and showerhead standards from the California Energy Commission (CEC). Depending on the scope of the final legislation, this bill could save up to \$50 million on utility bills for Hawaiians in 2025 and reduce water consumption by nearly a billion gallons. As more and more consumers purchase the efficient products compliant with state standards, annual savings would grow, reaching nearly \$80 million and 1.5 billion gallons of water annually in 2035.<sup>1</sup>

Aligning Hawaii standards with those in place or under development in California allows Hawaii to take advantage of a significant body of work already completed. CEC develops standards through a thorough rulemaking process and currently maintains a database of compliant products that other states are free

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<sup>1</sup> Mauer, J, A. deLaski, A, and M. DiMascio. 2017. [States Go First: How States Can Save consumers Money, Reduce Energy and Water Waste, and Protect the Environment with New Appliance Standards](#); Washington, DC: ACEEE; Boston, ASAP.

to use. We would be pleased to work with the Committee and stakeholders to work on legislative language that best takes advantage of the California standards.

Passing this legislation will cut energy and water waste, save consumers and businesses money, and reduce greenhouse gases. Because Hawaii can piggy-back off of work already completed by other states, the effort to implement such standards is Hawaii can be minimal. ASAP and CFA urge you to adopt this highly cost-effective, pro-consumer bill.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Mel Hall-Crawford" with a stylized flourish at the end.

Mel Hall-Crawford  
Director of Energy Programs  
Consumer Federation of America

A handwritten signature in black ink that reads "Marianne DiMascio" in a cursive script.

Marianne DiMascio  
Outreach Director  
Appliance Standards Awareness Project

**SB-2935-SD-1**

Submitted on: 2/22/2018 9:45:17 AM

Testimony for CPH on 2/23/2018 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Marianne DiMascio	Testifying on behalf of Appliance Standards Awareness Project and Consumer Federation of America	Support	No

Comments:

Please accept these attached comments in support of SB 2935