

STAND. COM. REP. NO. 790

Honolulu, Hawaii

FEB 28 2019

RE: S.B. No. 1323  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,  
to which was referred S.B. No. 1323 entitled:

"A BILL FOR AN ACT RELATING TO APPLIANCE EFFICIENCY  
STANDARDS,"

begs leave to report as follows:

The purpose and intent of this measure is to require the  
Department of Commerce and Consumer Affairs to:

- (1) Adopt state appliance efficiency standards; and
- (2) Prohibit the sale, lease, rent, or installation of  
appliances that do not meet efficiency standards by a  
certain date.

Your Committee received testimony in support of this measure  
from the Department of Business, Economic Development, and  
Tourism; Public Utilities Commission; California Energy  
Commission; National Resources Defense Council; American Council  
for an Energy-Efficient Economy; Environment America; Blue Planet  
Foundation; Consumer Federation of America; Young Democrats of  
Hawaii; Elemental Excelerator; Healthy Climate Communities; O'ahu  
County Committee on Legislative Priorities of the Democratic Party  
of Hawai'i; and over twenty individuals. Your Committee received  
testimony in opposition to this measure from the Retail Merchants  
of Hawaii and Association of Home Appliance Manufacturers. Your



Committee received comments on this measure from the Department of Commerce and Consumer Affairs, Plumbing Manufacturers International, and Consumer Technology Association.

Your Committee finds that Hawaii residents pay double or triple what residents of other states pay for their energy, and the potential savings from appliance efficiency standards are substantial. State-level standards for minimum energy and water efficiency have been projected to result in water and energy bill savings of \$38 million annually by 2025 and increasing to over \$75 million by 2035, adding dollars to consumers' pockets and benefiting the economy.

Additionally, by 2025 in Hawaii alone, recommended appliance efficiency standards would annually prevent fifty-six thousand metric tons of carbon dioxide from entering the atmosphere, the equivalent of taking over twelve thousand cars off the road. Furthermore, a recent study found that one-third of Hawaii's clean energy goals could be reached through adoption of new appliance standards and implementation of updated building codes. Your Committee further finds that appliances meeting the efficiency standards are readily available from multiple manufacturers. Other states with larger markets, like California, have already accomplished significant work in setting the appropriate standards and shifting manufacturers' behaviors and compliance. This measure promotes the acceleration of Hawaii's clean energy goals, benefits consumers by reducing energy costs, and helps to reduce greenhouse gas emissions.

Your Committee has heard the testimony from the Department of Commerce and Consumer Affairs, noting that adopting the appliance energy standards already promulgated in California would be more efficient for Hawaii and will allow Hawaii to benefit from the market power that California exerts on manufacturers and the appliances they produce, due to California's size and consumer demands. Your Committee notes that the Public Utilities Commission is already developing proposed language to promulgate appliance efficiency standards in Hawaii to be enforced by the Public Benefits Fee Administrator.

Accordingly, your Committee has amended this measure by:



- (1) Inserting language that requires the Public Utilities Commission and the Department of Business, Economic Development, and Tourism to adopt rules for minimum appliance efficiency standards for products sold or installed in the State consistent with the existing appliance efficiency standards established in California;
- (2) Removing language that would have required the Department of Commerce and Consumer Affairs and the Director of Commerce and Consumer Affairs to adopt rules for minimum appliance efficiency standards for certain products sold or installed in the State and making associated conforming amendments;
- (3) Clarifying the scope of the rules to be adopted by the Public Utilities Commission and the Department of Business, Economic Development, and Tourism;
- (4) Removing language that would have established specific appliance energy standards for certain products, provided protection against repeal of federal regulations, and established testing requirements for products to determine compliance;
- (5) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1323, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1323, S.D. 1, and be placed on the calendar for Third Reading.



Respectfully submitted on  
behalf of the members of the  
Committee on Commerce, Consumer  
Protection, and Health,

  
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ROSALYN H. BAKER, Chair



