

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,



ROSALYN H. BAKER, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

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|--|---------------------|----------|-----|---------|
| Bill / Resolution No.:* | Committee Referral: | Date: | | |
| SB 1323 | CPH | 2/22/19 | | |
| <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 |
| BAKER, Rosalyn H. (C) | / | | | |
| CHANG, Stanley (VC) | | | | / |
| KEOHOKALOPE, Jarrett | / | | | |
| NISHIHARA, Clarence K. | / | | | |
| RUDERMAN, Russell E. | | | | / |
| THIELEN, Laura H. | / | | | |
| FEVELLA, Kurt | / | | | |
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| TOTAL | 5 | | | 2 |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | |
| Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive;">Clarence K Nishihara</div> | | | | |
| Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy | | | | |

*Only one measure per Record of Votes