



DAVID Y. IGE
GOVERNOR
MIKE MCCARTNEY
DIRECTOR

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of
MIKE MCCARTNEY
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Thursday, February 7, 2019
9:00AM
State Capitol, Conference Room #325

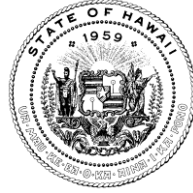
In consideration of
HB 1520
RELATING TO ENERGY EFFICIENCY.

Chair Lowen, Vice Chair Wildberger, and members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) **supports** HB 1520. The bill will require energy consumption benchmarking for all nonresidential buildings as well as disclosure of resulting benchmarking data to a prospective property buyer, lessee, or lender.

Benchmarking measures a building's energy use against comparable buildings. Hawaii currently has policies in place to benchmark public facilities and buildings. For Hawaii to reach its clean energy goals, nonresidential properties also must be required to benchmark their buildings. This will allow nonresidential building owners to understand their building's energy performance and identify areas where energy can be saved. Improvements can then be made to lower the cost of operating the building. In doing so, energy consumption will decrease. We also believe that sharing benchmarking data can encourage the nonresidential buildings market to recognize and reward energy efficiency while creating a continuous cycle of improvement and demand for high-performing buildings.

Thank you for the opportunity to testify.



DAVID Y. IGE
GOVERNOR

JOSH GREEN
LT. GOVERNOR

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CATHERINE P. AWAKUNI COLÓN
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Energy and Environmental Protection
Thursday, February 7, 2019
9:00 a.m.
State Capitol, Conference Room 325**

**On the following measure:
H.B. 1520, RELATING TO ENERGY EFFICIENCY**

Chair Lowen and Members of the Committee:

My name is Dean Nishina, and I am the Executive Director of the Department of Commerce and Consumer Affairs' (Department) Division of Consumer Advocacy (Division). The Department appreciates the intent of and offers comments on this bill.

The purposes of this bill are to: (1) require energy consumption benchmarking for all nonresidential buildings; and (2) require disclosure of resulting benchmarking data to a prospective property buyer, lessee, or lender.

As Hawaii moves forward with its clean energy transition, greater efforts should be directed toward collecting and making available data to facilitate informed decisions by legislators, regulators, and customers. Thus, the Division supports access to energy usage data because it could give energy users more tools to control their usage and lead to increased energy efficiency.

This bill would make facility energy usage data available to prospective buyers, lessees, and lenders so that they can make better informed decisions regarding buying,

leasing, or lending to that facility. However, the Division understands that utilities already record, keep, and track facility energy usage data via metering and customer information systems for billing purposes and provide that data to customer-building owners as part of the monthly bill. Therefore, building owners and operators already have access to that data and should already be able to provide it to prospective buyers, lessees, and lenders if required. The Legislature may be able to achieve the apparent intent of this bill with less cost-risk to utility ratepayers by amending the bill to simply require building owners to make energy benchmarking data available directly to prospective buyers, lessees, and lenders.

The Division appreciates that the Legislature has included language in section 2 of the bill, Hawaii Revised Statutes 269-_(c), that seeks to maximize the efficiency and minimize the cost that the qualifying utility may incur to provide the data. However, questions remain whether the effect of this measure might result in an unnecessary increase in utility costs, which would ultimately translate into increased utility bills. For example, instead of requiring the utility to incur costs to input customer data, it seems more efficient to have the building owners or managers input their own data to the portfolio management tool.

Furthermore, requiring the utility to input the data will require the property manager or owner to provide the utility with a login and password to the portfolio management tool. Other jurisdictions, such as Boston and Seattle, have adopted benchmarking programs that require property owners to obtain the data from the utility, upload the energy consumption and other required data, and provide the required annual report.

Thank you for the opportunity to testify on this bill.

TESTIMONY OF
JAMES P. GRIFFIN, Ph.D.
CHAIR, PUBLIC UTILITIES COMMISSION
STATE OF HAWAII

TO THE
HOUSE COMMITTEE ON
ENERGY AND ENVIRONMENTAL PROTECTION

February 7, 2019
9:00 a.m.

Chair Lowen and Members of the Committee:

MEASURE: H.B. No. 1520

TITLE: RELATING TO ENERGY EFFICIENCY.

DESCRIPTION: Requires energy consumption benchmarking for all nonresidential buildings. Requires disclosure of resulting benchmarking data to a prospective property buyer, lessee, or lender.

POSITION:

The Public Utilities Commission offers the following comments for consideration.

COMMENTS:

The Public Utilities Commission (“Commission”) is supportive of policies that enable customers to have greater access to their energy consumption data. In addition, the Commission is supportive of low-cost ways to drive energy efficiency savings, including energy benchmarking and increased transparency regarding energy usage in buildings.

The Commission works closely with the Public Benefits Fee Administrator (“Hawaii Energy”), which provides energy efficiency services to customers of the Hawaiian Electric Companies on the islands of Hawaii, Lanai, Maui, Molokai, and Oahu, to develop new energy efficiency programs and incentives. In addition, issues related to electricity data access and privacy have been raised in the context of the Hawaiian Electric Companies’ Grid Modernization project application (see Docket No. 2018-0141).

However, the Commission observes that there are certain provisions in the proposed measure which may create challenges with implementation. For example, the term “portfolio management tool” is defined as “the United States Environmental Protection

Agency's ENERGY STAR portfolio manager or an equivalent tool adopted by the energy resources coordinator.”

While the Commission regulates electric and gas utilities, it is unclear how the requirements regarding the adoption of a portfolio management tool by the energy resources coordinator would be implemented, absent additional legislative guidance. Furthermore, there is uncertainty regarding the cost and timeline required to integrate electric and gas utility billing systems with the proposed portfolio management tool to enable secure flow of data.

Thank you for the opportunity to testify on this measure.

**TESTIMONY BEFORE HOUSE COMMITTEE ON
ENERGY AND ENVIRONMENTAL PROTECTION**

H.B. 1520

Relating to Energy Efficiency

Thursday, February 7, 2019
9:00 a.m., Agenda Item #2
State Capitol, Conference Room 325

**By Kelly McCanlies
Privacy Officer
Hawaiian Electric Company, Inc.**

Chair Lowen, Vice-Chair Wildberger, and Members of the Committee,

My name is Kelly McCanlies and I am testifying on behalf of Hawaiian Electric Company and its subsidiary utilities, Maui Electric Company and Hawaii Electric Light Company (“the Companies”), with comments and concerns with suggested amendments regarding H.B. 1520, Relating to Energy Efficiency.

While we strongly support energy efficiency initiatives such as H.B. 1520, we are concerned about any bill that requires the Companies to share identifiable customer data without customer consent. To maintain customer privacy, we suggest either requiring customer consent or aggregating consumption data using the “Rule of 15/15” adopted by the California PUC in D.97-10-031.

The following changes are recommended to maintain the intent of the legislation without compromising customer privacy.

Page 4:

1 "5269- Nonresidential building benchmarking. (a)

After

**2 December 31, 2019, electric and gas utilities
shall maintain**

**3 records of the energy consumption data of all
nonresidential**

**4 buildings to which they provide service. This
data shall be**

**5 maintained for at least the most recent twelve
months in a**

**6 format compatible for use with ~~uploading to~~ the
portfolio management**

7 tool.



8 (b) After December 31, 2019, upon the written
9 authorization or secure electronic authorization
of a
10 nonresidential building owner or operator,
electric and gas
11 utilities shall provide upload the aggregated
energy consumption data for use in the portfolio
management tool for the
12 accounts specified by the owner or operator
provided that the data conforms to the Rule of 15/15
for a building to
13 ~~the portfolio management tool in a form that does~~
~~not disclose~~
14 ~~personally identifying information.~~
Nonresidential building owners or operators may also
request account-specific data by providing customer
authorization.

Page 6, Section 3 add the following definition:

21 "Rule of 15/15" means a data set is considered
anonymized if it consists of at least 15 members, and
no one member accounts for more than 15% of the
quantity measured."

As stated earlier, we strongly support energy efficiency legislation in the State of Hawaii. We respectfully believe that the abovementioned proposed amendments maintain the purpose of the proposed bill, while also addressing the Companies' concerns over customer privacy.

Thank you for your consideration and the opportunity to testify and share our suggested amendments.





Email: communications@ulupono.com

HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION
Thursday, February 7, 2019 — 9:00 a.m. — Room 325

Ulupono Initiative Supports HB 1520, Relating to Energy Efficiency

Dear Chair Lowen, Vice Chair Wildberger, and Members of the Committee:

My name is Murray Clay and I am Managing Partner of the Ulupono Initiative, a Hawai'i-based impact investment firm that strives to improve the quality of life for the people of Hawai'i by working toward solutions that create more locally produced food; increase affordable, clean, renewable energy; and better manage waste and fresh water resources. Ulupono believes that self-sufficiency is essential to our future prosperity and will help shape a future where economic progress and mission-focused impact can work hand in hand.

Ulupono supports HB 1520, which requires energy consumption benchmarking for all non-residential buildings, because it aligns with our goal of reducing Hawai'i's dependence on imported fossil fuels.

For energy consumption reduction to be successful, we need educated and motivated people and businesses to actively practice energy efficiency in their daily purchases and behaviors. By providing building owners, operators, and users with expected operational costs from the start, this can help them to think about how best to invest in reducing their energy costs for their own economic interest.

It is often helpful for potential homebuyers to have comparable sales prices for similar homes in the neighborhood before making a purchase. Similarly, it could be additionally beneficial to have comparable energy costs for similar sized spaces for a business. This would further help new businesses to understand how effective they are in managing their costs.

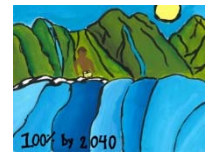
As Hawai'i's energy issues become increasingly complex and challenging, we appreciate this committee's efforts to look at policies that reduce our dependence on imported fossil fuels.

Thank you for this opportunity to testify.

Respectfully,

Murray Clay
Managing Partner

Investing in a Sustainable Hawai'i



HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

February 7, 2019, 9:00 A.M.

Room 325

(Testimony is 2 pages long)

TESTIMONY IN STRONG SUPPORT OF HB 1520

Aloha Chair Lowen, Vice Chair Wildberger, and Committee members:

Blue Planet Foundation **strongly supports** HB 1520, establishing an energy benchmarking requirement for commercial buildings above a certain size. This information will then be available to prospective buyers, lessees, or lenders so that they can make an informed choice about their monthly utility cost before committing to a property. **We believe that such a policy will help both consumers and businesses reduce energy costs while encouraging building owners and managers to reduce the carbon footprint of their buildings.**

Commercial building energy performance benchmarking is a foundational element of energy efficiency because **you can't manage what you don't measure**. Benchmarking energy use by regular measurement and disclosure has clear benefits for many stakeholders. Building owners understand how much electricity their properties use and can take steps to reduce wasted energy, helping them lower energy costs and stay competitive. Benchmarking data helps fill an information gap for commercial real estate firms and investors, providing everyone access to the same information. For tenants, benchmarking and disclosure provide valuable data to better understand energy use and make informed decisions.

Benchmarking benefits the entire community, too. Building performance data helps communities strategically meet energy efficiency and climate change reduction goals by targeting energy efficiency rebates and incentives for buildings that have the most potential for savings. This is one reason why several U.S. cities—including Philadelphia, New York, Washington, D.C, and most recently Boston—have adopted energy benchmarking and disclosure ordinances that require large buildings to benchmark energy use. In Boston, for example, large commercial buildings over 35,000 square feet and residential buildings with more than 35 units are required to report and disclose energy and water usage and greenhouse gas emissions. These cities are leveraging energy efficiency benchmarking, public accessibility to transparent data, and energy efficiency ratings to raise expectations and drive energy efficiency improvements throughout all building sectors.

Building energy benchmarking serves as a powerful mechanism to measure energy performance of a single building over time, relative to other similar buildings, or to modeled

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simulations of a reference building built to a specific standard (such as an energy code). It facilitates energy accounting, comparing a facility's energy use to similar facilities to assess opportunities for improvement, and quantifying/verifying energy savings.

House Bill 1520 proposes to use the industry-standard ENERGY STAR portfolio manager developed by the U.S. Environmental Protection Agency. Importantly, data is shared in a format that does not disclose any personally identifying information.

Blue Planet supports HB 1520 to help building owners, buyers, and lessees better understand the energy use of buildings and make informed choices.

Thank you for the opportunity to testify.

HB-1520

Submitted on: 2/6/2019 8:52:45 AM

Testimony for EEP on 2/7/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i	Support	No

Comments:

HB-1520

Submitted on: 2/4/2019 6:01:11 PM

Testimony for EEP on 2/7/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Karen Winslow	Individual	Support	No

Comments:

HB-1520

Submitted on: 2/6/2019 5:18:24 PM

Testimony for EEP on 2/7/2019 9:00:00 AM



Submitted By	Organization	Testifier Position	Present at Hearing
Andrea Quinn	Individual	Support	No

Comments:

Dear Honorable Committee Members:

Please support HB1520.

Hawaii stands to lose valuable coastline due to climate change, which is already occurring. We need to be a leader in energy efficiency.

Thank you for the opportunity to present my testimony.

Sincerely,

Andrea Quinn



LATE

Testimony to the House Energy and Environmental Protection Committee

Thursday, February 7, 2019 9:00 a.m.
Conference Room 325, Hawaii State Capitol
RE: House Bill 1520

Chairs Lowen, Vice Chair Wildberger and Members of the Committee on Energy and Environmental Protection:

Hawaii Gas supports the intent of HB 1520 and provides the following comments and recommendations.

HB1520 amends section 269, Hawaii Revised Statutes, to add statutory language to require gas utilities and electric utilities to disclose non-public nonresidential benchmarking data by the following schedule:

- January 1, 2021 for buildings > 50,000 square feet
- January 2, 2022 for buildings > 10,000 square feet

Although the concept of benchmarking is good for targeting energy efficiency opportunities and provides full disclosure for consumers, we need to have a better understanding of how many requests this will represent so we can determine workload and resources. We will need an inventory of all the commercial buildings that would be covered under the proposed implementation timeline in order to plan for this new data reporting requirement. Depending on the amount of information needed to be tracked and stored, we will likely need a new reporting system or will likely incur additional costs to update our systems. System implementation costs and timeline will also need to be considered in order to meet the deadline. In addition, authorizing utilities the ability to recover costs incurred to accommodate new reporting requirements through the Public Utilities Commission should also be provided.

Hawaii Gas was historically established as state's only franchised gas utility in 1904. Since its founding, the gas utility has provided a reliable and safe source of affordable natural gas supply to customers who use our services primarily for hot water heating and sanitation needs, cooking, laundry drying and, during times of emergency or electrical outages, as backup power generation.

Unlike gas utilities in other states that supply natural gas as clean energy source for electric generation, to provide heating source for buildings and homes, or as a low-carbon clean fuel for public and private transportation, Hawaii Gas' customers rely on our service to power certain appliances or as an alternate power resource. Also, unlike in other states, commercial building operators and commercial tenants are not required to connect to the gas utility for their energy



resource needs. For example, Hawaii Gas may supply a tenant who prefers to use natural gas for cooking if they operate a restaurant, or a medical services tenant may use our services for hot water heating and sanitation, or other commercial users that need backup power resources especially if they must operate equipment continuously 24/7. Depending on the commercial building, the gas utility may serve a small fraction of tenants or no tenants. So, the measure of use for aggregate natural gas data will be extraordinarily variable as compared to data collected by electric utilities who provide ubiquitous energy to commercial tenants.

Considering the extremely variable volume of energy services we provide for commercial customers, and the limitations of our utility's workload and resources, we request the Public Utilities Commission and or the Hawaii State Energy Office, provide an inventory of all commercial buildings that would be covered by the proposed schedule for implementing the requirement for benchmarking data.

Thank you for the opportunity to testify on HB 1520.

Sincerely,

Jeannine A. Souki
Director, Government Affairs and Communications
Hawaii Gas