



DAVID Y. IGE  
GOVERNOR

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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 AND ENVIRONMENTAL PROTECTION**

Thursday, March 14, 2019

8:35 AM

State Capitol, Conference Room #325

In consideration of  
**SB1323, SD1**  
**RELATING TO APPLIANCE EFFICIENCY STANDARDS**

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

The Department of Business, Economic Development, and Tourism (DBEDT) **supports** SB1323, SD1 which calls for the Public Utilities Commission and DBEDT to adopt California's appliance efficiency standards for appliances as allowed by federal law.

We concur with the energy conservation and energy efficiency goals of this bill and concur with the amendments offered by the Public Utilities Commission.

Thank you for the opportunity to testify.



DAVID Y. IGE  
GOVERNOR

JOSH GREEN  
LT. GOVERNOR

**STATE OF HAWAII  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

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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, March 14, 2019  
8:35 a.m.  
State Capitol, Conference Room 325**

**On the following measure:  
S.B. 1323, S.D. 1, RELATING TO APPLIANCE EFFICIENCY STANDARDS**

Chair Lowen and Members of the Committee:

My name is Catherine Awakuni Colón, and I am the Director of the Department of Commerce and Consumer Affairs (DCCA or Department). The Department appreciates the intent of this bill and offers comments.

S.D. 1 requires the Public Utilities Commission and the Department of Business, Economic Development, and Tourism to adopt state appliance efficiency standards consistent with the standards established in California.

The Department supports energy efficiency and acknowledges the possible benefits to consumers if the State adopts appliance efficiency standards. Adoption of appliance efficiency standards may further the goal of lowering consumers' energy bills and reduce greenhouse emissions. In addition, adopting the appliance energy standards already promulgated in California will 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.

The Department notes that the Public Utilities Commission is developing proposed language to promulgate appliance efficiency standards in Hawaii Revised Statutes (HRS) chapter 196, entitled “Energy Resources,” for the Public Benefits Fee Administrator to enforce pursuant to HRS chapter 269, entitled “Public Utilities Commission.”

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

March 14, 2019  
8:35 a.m.

Chair Lowen and Members of the Committee:

**MEASURE:** S.B. No. 1323 SD1

**TITLE:** RELATING TO APPLIANCE EFFICIENCY STANDARDS.

**DESCRIPTION:** Requires the public utilities commission and department of business, economic development, and tourism to adopt state appliance efficiency standards consistent with California's existing appliance efficiency standards. Effective 7/1/2050. (SD1)

**POSITION:**

The Public Utilities Commission offers the following comments for consideration.

**COMMENTS:**

The Public Utilities Commission ("Commission") supports the intent of the measure, which is to adopt state appliance efficiency standards consistent with California's existing appliance efficiency standards.

The Commission has worked with the Department of Business, Economic Development, and Tourism, the Department of Commerce and Consumer Affairs, and the Public Benefits Fee Administrator on possible amendments to this measure. The Commission respectfully recommends that the proposed draft attached to this testimony be adopted.

The attached proposed draft has also been provided to the Senate Committee on Energy, Economic Development, and Tourism for their consideration during their March 13, 2019 hearing on HB 556 HD1 (Relating to Energy Efficiency).

The proposed draft includes amendments that would simplify and streamline the implementation of appliance efficiency standards in Hawaii by adopting standards that have already been developed in California. These standards have been developed in consultation with many stakeholders, including appliance manufacturers and distributors, and have been shown to achieve significant energy savings for customers.

The Commission can assist with implementation of these standards by authorizing the Public Benefits Fee Administrator (“Hawaii Energy”) to work with appliance manufacturers and distributors in Hawaii. Hawaii Energy offers many energy efficiency programs and incentives and has established relationships with appliance manufacturers and distributors in the course of developing their programs. Hawaii Energy can conduct additional outreach and education activities to appliance manufacturers and distributors to ensure they are aware of the appliance standards that are applicable in Hawaii.

Thank you for the opportunity to testify on this measure.

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# A BILL FOR AN ACT

RELATING TO ENERGY EFFICIENCY.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that the high cost of  
2 living in Hawaii adds to the importance of adopting policies  
3 that promote and encourage energy efficiency, which can provide  
4 relief for families and businesses faced with high utility  
5 bills. Without state appliance efficiency standards to protect  
6 consumers, Hawaii residents risk losing as much as  
7 \$1,000,000,000 in unnecessary energy waste as manufacturers  
8 unload less efficient appliances that they cannot sell in other  
9 states with heightened standards. Multiple states, including  
10 California, Colorado, Connecticut, Oregon, Rhode Island,  
11 Vermont, and Washington, have adopted state appliance efficiency  
12 standards.

13           The legislature further finds that new appliance efficiency  
14 standards have the potential to save Hawaii families and  
15 businesses billions of dollars while conserving energy and water  
16 resources. According to a 2017 national study from the American

1 Council for an Energy-Efficient Economy, Hawaii has the best  
2 opportunity in the nation to save money through the  
3 implementation of appliance efficiency standards. The study  
4 found that by adopting appliance efficiency standards, Hawaii  
5 could save up to \$1,000,000,000 in electricity costs over twenty  
6 years, which is the equivalent of about \$215 annually for each  
7 Hawaii household. Although many appliances, such as  
8 refrigerators, dishwashers, and commercial air conditioners, are  
9 regulated by national appliance efficiency standards, the study  
10 found that states can save billions of dollars by adopting  
11 state-level appliance efficiency standards for appliances that  
12 are not regulated by national standards.

13 The legislature further finds that by establishing state  
14 appliance efficiency standards, the State, among other positive  
15 results, can:

16 (1) Provide a boost to the local economy, which occurs  
17 when consumers and businesses spend their economic  
18 savings on other goods and services;

- 1           (2)   Protect consumers against manufacturers who would
- 2                   otherwise unload less efficient appliances that they
- 3                   cannot sell in other states with heightened standards;
- 4           (3)   Ensure that Hawaii residents do not miss out on
- 5                   potential savings while progress on standards at the
- 6                   national level is uncertain;
- 7           (4)   Improve electric system reliability and potentially
- 8                   reduce the need for new energy and water
- 9                   infrastructures based on the resulting energy and
- 10                  water savings;
- 11          (5)   Lower electricity bills for residents and businesses;
- 12                  and
- 13          (6)   Reduce air pollutants and greenhouse gas emissions,
- 14                  which can result in public health benefits and help
- 15                  the State meet its clean energy and climate mitigation
- 16                  targets.

17           Furthermore, the legislature finds that the cost of most  
18 appliances specifically listed in this Act are equal to the cost  
19 of non-compliant appliances, or available at a minimal cost  
20 premium.



1           The legislature recognizes the state of California as a  
2 leader in establishing state-level appliance efficiency  
3 standards that protect consumers and finds that the California  
4 appliance efficiency standards should be used as a model for  
5 Hawaii's standards. For non-federally regulated appliances  
6 without state-level appliance efficiency standards in  
7 California, Hawaii should look to other existing standards of  
8 efficiency specifications, such as the ENERGY STAR or the U.S.  
9 Environmental Protection Agency's WaterSense program standards.

10           The purpose of this Act is to establish state appliance  
11 efficiency standards.

12           SECTION 2. Chapter 196, Hawaii Revised Statutes, is  
13 amended by adding a new part to be appropriately designated and  
14 to read as follows:

15                   **"PART       .    APPLIANCE EFFICIENCY STANDARDS**

16           **§196-A ,Definitions.** As used in this chapter:

17           "Compensation" means money or any other valuable thing,  
18 regardless of form, received or to be received by a person for  
19 services rendered.

1 "Computer" means a device that performs logical operations  
2 and processes data. A computer includes both stationary and  
3 portable units and includes a desktop computer, a portable all-  
4 in-one, a notebook computer, a mobile gaming system, a high  
5 expandability computer, a small-scale server, a thin client, and  
6 a workstation. Although a computer is capable of using input  
7 devices and displays, such devices are not required to be  
8 included with the computer when the computer is shipped. A  
9 computer is composed of, at a minimum:

- 10 (1) A central processing unit (CPU) to perform operations  
11 or, if no CPU is present, then the device must  
12 function as a client gateway to a server and the  
13 server acts as a computational CPU;
- 14 (2) Ability to support user input devices such as a  
15 keyboard, mouse, or touchpad; and
- 16 (3) An integrated display screen or the ability to support  
17 an external display screen to output information.

18 The term "computer" does not include a tablet, a game  
19 console, a television, a small computer device, a server other  
20 than a small-scale server, or an industrial computer.

1 "Computer monitor" means an analog or digital device of  
2 diagonal screen size greater than or equal to seventeen inches  
3 and less than or equal to sixty-one inches, that has a pixel  
4 density of greater than five thousand pixels per square inch,  
5 and that is designed primarily for the display of computer  
6 generated signals for viewing by one person in a desk-based  
7 environment. A computer monitor is composed of a display screen  
8 and associated electronics. A computer monitor does not  
9 include:

- 10 (1) Displays with integrated or replaceable batteries  
11 designed to support primary operation without AC mains  
12 or external DC power, such as electronic readers,  
13 mobile phones, tablets, or battery-powered digital  
14 picture frames; or  
15 (2) A television or a signage display.

16 "Faucet" means a lavatory faucet, kitchen faucet, metering  
17 faucet, or replacement aerator for a lavatory or kitchen faucet.

18 "High color rendering index (CRI) fluorescent lamp" means a  
19 fluorescent lamp with a color rendering index of eighty-seven or  
20 greater that is not a compact fluorescent lamp.

1 "Showerhead" means a device through which water is  
2 discharged for a shower bath. Showerhead includes any  
3 showerhead, including a handheld showerhead, except a safety  
4 showerhead.

5 "Spray sprinkler body" means the exterior case or shell of  
6 a sprinkler incorporating a means of connection to the piping  
7 system designed to convey water to a nozzle or orifice.

8 **§196-B Purpose.** The purpose of this part is to establish  
9 minimum appliance efficiency standards for certain products sold  
10 or installed in the State.

11 **§196-C Scope.** (a) Appliance efficiency standards are  
12 established under this part for the following appliances, if  
13 standards for these appliances are not preempted by federal law:

- 14 (1) Computers and monitors;
- 15 (2) Faucets;
- 16 (3) High CRI fluorescent lamps;
- 17 (4) Showerheads; and
- 18 (5) Spray sprinkler bodies.

1 (b) This section shall apply to the sale and offering for  
2 sale, installation, lease, or rent of appliances under  
3 subsection (a) in the State.

4 (c) This section shall not apply to:

5 (1) New products manufactured in the State and sold  
6 outside the State;

7 (2) New products manufactured outside the State and sold  
8 at wholesale inside the State for final retail sale  
9 and installation outside the State;

10 If any standard established under this chapter is  
11 subsequently preempted by federal law, all other state appliance  
12 efficiency standards not preempted shall remain in effect.

13 **§196-D Appliance efficiency standards.** (a) The following  
14 minimum efficiency standards shall apply to products listed or  
15 incorporated in section 196-C:

16 (1) Computers and computer monitors shall meet the  
17 requirements set forth in California Code of Regulations, Title  
18 20, Section 1605.3, as in effect on July 1, 2019;

1           (2) Faucets shall meet the minimum efficiency standards  
2 set forth in California Code of Regulations, Title 20, Section  
3 1605.1, as in effect on July 1, 2019;

4           (3) High CRI fluorescent lamps shall meet the minimum  
5 efficacy requirements contained in Section 430.32(n)(4) of Title  
6 10 of the Code of Federal Regulations as in effect on January 3,  
7 2017, as measured in accordance with Appendix R to Subpart B of  
8 Part 430 of Title 10 of the Code of Federal Regulations—"Uniform  
9 Test Method for Measuring Average Lamp Efficacy (LE), Color  
10 Rendering Index (CRI), and Correlated Color Temperature (CCT) of  
11 Electric Lamps"—as in effect on January 3, 2017;

12           (4) Showerheads shall meet the minimum efficiency  
13 standards set forth in California Code of Regulations, Title 20,  
14 Section 1605.1, as in effect on July 1, 2019; and

15           (5) Spray sprinkler bodies that are not specifically  
16 excluded from the scope of the WaterSense Specification for  
17 Spray Sprinkler Bodies, Version 1.0, shall include an integral  
18 pressure regulator and shall meet the water efficiency and  
19 performance criteria and other requirements of that  
20 specification, as in effect on July 1, 2019.

1           **§196-E Implementation.** (a) On or after January 1, 2021,  
2 no new computer or computer monitor, faucet, high CRI  
3 fluorescent lamp, showerhead, or spray sprinkler body may be  
4 sold, installed or offered for sale, lease, or rent in the State  
5 unless the efficiency of the new product meets or exceeds the  
6 efficiency standards provided in section 196-D.

7           (b) One year after the date upon which the sale or  
8 offering for sale of certain products becomes subject to the  
9 requirements of subsection (a), no such products may be  
10 installed for compensation in the state unless the efficiency of  
11 the new product meets or exceeds the efficiency standards  
12 provided in section 196-D.

13           **§196-F Protection against repeal of federal standards.**

14 (a) If any of the energy or water conservation standards issued  
15 or approved for publication by the Office of the United States  
16 Secretary of Energy as of January 19, 2017, pursuant to the  
17 Energy Policy and Conservation Act (Parts 430-431 of Title 10 of  
18 the Code of Federal Regulations), are withdrawn, repealed, or  
19 otherwise voided, the minimum energy or water efficiency level  
20 permitted for products previously subject to federal energy or

1 water conservation standards shall be the previously applicable  
2 federal standards, and no new product subject to this part may  
3 be sold or offered for sale, lease, or rent in the State unless  
4 it meets or exceeds those new standards.

5 (b) This section shall not apply to any federal energy or  
6 water conservation standard set aside by a court upon the  
7 petition of a person who will be adversely affected, as provided  
8 in Section 6306(b) of Title 42 of the United States Code.

9 SECTION 3. Section 269-123, Hawaii Revised Statutes,  
10 is amended by amending subsection (b) to read as follows:

11 "(b) The public benefits fee administrator's duties and  
12 responsibilities shall be established by the public utilities  
13 commission by rule or order, and may include:

14 (1) Identifying, developing, administering,  
15 promoting, implementing, and evaluating programs, methods, and  
16 technologies that support energy-efficiency and demand-side  
17 management programs;

18 (2) Encouraging the continuance or improvement of  
19 efficiencies made in the production, delivery, and use of



1 energy-efficiency and demand-side management programs and  
2 services;

3 (3) Using the energy-efficiency expertise and  
4 capabilities that have developed or may develop in the State and  
5 consulting with state agency experts;

6 (4) Promoting program initiatives, incentives, and  
7 market strategies that address the needs of persons facing the  
8 most significant barriers to participation;

9 (5) Promoting coordinated program delivery, including  
10 coordination with electric public utilities regarding the  
11 delivery of low-income home energy assistance, other demand-side  
12 management or energy-efficiency programs, and any utility  
13 programs;

14 (6) Consideration of innovative approaches to  
15 delivering demand-side management and energy-efficiency  
16 services, including strategies to encourage third-party  
17 financing and customer contributions to the cost of demand-side  
18 management ~~and~~ energy-efficiency services; ~~and~~

19 (7) Submitting, to the public utilities commission  
20 for review and approval, a multi-year budget and planning cycle

1 that promotes program improvement, program stability, and  
2 maturation of programs and delivery resources[-]; and

3 (8) Educating and training appliance manufacturers,  
4 distributors, and retailers of appliances covered under part  
5 of chapter 196 about the appliance efficiency standards  
6 established under that part to improve compliance."

7 SECTION 4. This Act does not affect rights and duties that  
8 matured, penalties that were incurred, and proceedings that were  
9 begun before its effective date.

10 SECTION 5. If any provision of this Act, or the  
11 application thereof to any person or circumstance, is held  
12 invalid, the invalidity does not affect other provisions or  
13 applications of the Act that can be given effect without the  
14 invalid provision or application, and to this end the provisions  
15 of this Act are severable.

16 SECTION 6. In codifying the new sections added by section  
17 2 of this Act, the revisor of statutes shall substitute  
18 appropriate section numbers for the letters used in designating  
19 the new sections in this Act.

**1** SECTION 7. Statutory material to be repealed is bracketed  
**2** and stricken. New statutory material is underscored.

**3** SECTION 8. This Act shall take effect on July 1, 2100.



# H.B. NO.

556  
H.D. 2

PROPOSED

**Report Title:**

DBEDT; Appliance Efficiency Standards

**Description:**

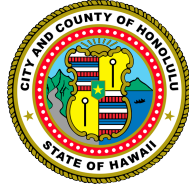
Establishes appliance efficiency standards for the State.  
(HB556 HD2 PROPOSED)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

OFFICE OF CLIMATE CHANGE, SUSTAINABILITY AND RESILIENCY

**CITY AND COUNTY OF HONOLULU**

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KIRK CALDWELL  
MAYOR

JOSHUA W. STANBRO  
EXECUTIVE DIRECTOR &  
CHIEF RESILIENCE OFFICER

THURSDAY, MARCH 14, 2019 8:35AM

STATE OF HAWAII  
COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

**TESTIMONY ON SENATE BILL 1323 SD1  
A BILL RELATING TO APPLIANCE EFFICIENCY STANDARDS**

BY,

JOSHUA STANBRO  
EXECUTIVE DIRECTOR AND CHIEF RESILIENCE OFFICER  
OFFICE OF CLIMATE CHANGE, SUSTAINABILITY AND RESILIENCY

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

The City and County of Honolulu Office of Climate Change, Sustainability and Resiliency **supports** Senate Bill 1323 SD1, which requires the adoption of state-wide appliance efficiency standards.

Becoming more energy efficient is necessary to drive affordability and greenhouse gas emissions reductions, which are key objectives for the City. The City is in the process of developing a resilience strategy and comprehensive climate action plan which will include recommended strategies to align with the state's goal of 100 percent renewable energy and carbon neutrality by 2045. Appliance efficiency standards, as proposed in this bill, would enhance our ability to achieve these ambitious goals and provide protections to consumers throughout the state.

Thank you for the opportunity to testify on this measure.



# SIERRA CLUB OF HAWAI'I

## MĀLAMA I KA HONUA. *Cherish the Earth.*

### HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

March 14, 2019      8:35 AM      Room 325

In **SUPPORT of SB 1323 SD1**: Relating to Appliance Efficiency Standards

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Aloha Chair Lowen, Vice Chair Wildberger, and members of the committee,

On behalf of our 20,000 members and supporters, the Sierra Club of Hawai'i **supports SB 1323 SD1**, which requires the public utilities commission and department of business, economic development, and tourism to adopt state appliance efficiency standards consistent with California's existing appliance efficiency standards.

This bill proposes that Hawai'i adopt standards already in place in California for computers and monitors, faucets, and showerheads. Projections of cumulative savings over the next 15 years estimate that adoption of these appliance efficiency standards could result in Hawai'i residents and businesses saving \$537 million, 700,000 metric tons of CO<sub>2</sub> emissions, and 34 billion gallons of water. This is particularly important for low and moderate income households, who not only pay a larger portion of their income on utility bills, but will also struggle in the long-term as our planet faces the brunt of climate change.

Many of these more efficient models are readily available and will have no incremental costs, meaning consumers will not pay more for these appliances and will see immediate savings on their utility bills from switching over. There will be lifecycle cost savings on all of the appliances proposed under this bill, notably for kitchen faucets and showerheads, which will save utility customers over \$700 and \$900 during their average 10-year lifecycles.

Lastly, obstacles to implementation will be minimized as other states are already using or proposing identical appliance standards. For example, the California Energy Commission maintains a free database of compliant products that the PUC and DBEDT could easily reference and utilize for Hawai'i's newly adopted standards.

Hawai'i's residents and businesses pay the highest utility bills in the United States. Adoption of energy-saving appliance standards will help Hawai'i residents use less energy and water, save money on utility bills, and advances our goal to reach 100% clean energy by 2045.

Thank you very much for this opportunity to provide testimony in **support of SB 1323 SD1**.

Mahalo,  
Jodi Malinoski, Policy Advocate

**SB-1323-SD-1**

Submitted on: 3/13/2019 3:35:55 PM

Testimony for EEP on 3/14/2019 8:35:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Neil Ishida	ABC Stores	Oppose	No

Comments:

ABC Stores is opposed to SB 1323 Relating to Appliance Efficiency Standards. This measure requires the public utilities commission and the department of business, economic development, and tourism to adopt state appliance efficiency standards consistent with California's existing appliance efficiency standards, effective 7/01/2050.

While we realize the State's want to accelerate the Hawaii's clean energy goals, we would like to point out that retailers would need more time than the January 1, 2021 deadline to shrink their inventory, meet obligations as well as implement the rules put out by DBEDT and the PUC. We urge you to hold this measure. Mahalo for this opportunity to testify.





**TESTIMONY OF TINA YAMAKI  
PRESIDENT  
RETAIL MERCHANTS OF HAWAII  
March 14, 2019**

**Re: SB 1323 SD1 Relating to Appliance Efficiency Standards**

Good morning Chairperson Lowen and members of the House Committee on Energy & Environmental Protection. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii (RMH) as founded in 1901 and is a statewide, not for profit trade organization committed to the growth and development of the retail industry in Hawaii. The retail industry is one of the largest employers in the state, employing 25% of the labor force.

We are opposed to SB 1323 SD 1 Relating to Appliance Efficiency Standards. This measure requires the public utilities commission and department of business, economic development, and tourism to adopt state appliance efficiency standards consistent with California's existing appliance efficiency standards. Effective 7/1/2050.

While the measure calls for the adoption of California's efficiency standards, we are wondering if the Public Utilities Commission and the Department of Business Economic Development & Tourism does in fact have the necessary manpower, expertise and funds to implement this measure as well as maintain the current updates and costs that are involved with the testing and implementation.

It is our understanding that the appliance and equipment efficiency standards are developed, proposed and maintained with input from manufacturers, energy experts, consumer advocates and other stakeholders. Perpetual regular testing and updates of the standards are done to ensure continuous improvement and can be very costly upwards into the millions of dollars.

We caution that the energy efficient standards have to be realistically obtainable within the limits of existing products that are available. When new state appliance standards go into effect, they would prohibit the production, import or sale of products that do not meet the state's minimum efficiency requirements. While we understand that some of the products that the retailers have in supply may already meet the California energy efficiency standards, other may not for computers, monitors, faucets, high color rendering index fluorescent lamps, showerheads and spray sprinkler bodies. This would not only limit the consumer choice of products that are available in Hawaii but can be purchased in other states or online and for some on military bases. And local retailers who do not have national affiliations may have to take a loss on their unsold inventory that does not meet the standards.

While we realize the State want to accelerate the Hawaii's clean energy goal, we would like to point out that Retailers would more time to shrink their inventory, meet obligations as well as implement the rules put out by DBEDT if they are completed up to the deadline.

Mahalo again for this opportunity to testify.

March 14, 2019

Representative Nicole Lowen  
Chair, Committee on Energy and Environmental Protection  
Hawaii State Capitol  
Honolulu, HI 96813

**Re: SB1323 SD1 – Relating to Appliance Efficiency Standards – COMMENTS**

Dear Representative Lowen:

The Consumer Technology Association™ (CTA) appreciates the opportunity to provide comments to the House Committee on Energy & Environmental Protection regarding specific sections of [SB1323 SD1](#) that CTA feels are problematic. **CTA respectfully requests the removal of language in Section 196-B at page 4, lines 19-20 and page 5, lines 12-15. This section grants broad authority to the Public Utilities Commission and the Department of Business, Economic Development, and Tourism to establish energy efficiency standards for products not specifically approved by the legislature.**

CTA is the trade association representing the U.S. consumer technology industry, which supports more than 15 million U.S. jobs. Our membership includes more than 2,200 companies – 80 percent are small businesses and startups; others are among the world’s best known manufacturer and retail brands. For many years, CTA has supported and advanced energy efficiency in consumer technology as part of the industry’s broader commitment to environmental sustainability. CTA advocates for approaches that are national, voluntary, market-oriented, globally harmonized, flexible to keep pace with technology, and friendly to innovation and economic growth.

**CTA does not support the expanded authority granted in SB1323 SD1.** Consumer technology products are already an energy efficiency success story without state mandated energy efficiency standards. A recent peer-reviewed study commissioned by CTA and produced by Fraunhofer USA finds the number of tech devices in U.S. homes has increased 21 percent since 2010, but those devices now account for *25 percent less* residential energy consumption over that same time.<sup>1</sup> This landmark energy efficiency achievement is due to the consumer tech industry’s investments and innovation. These achievements weren’t accomplished through mandated state or federal requirements.

While CTA appreciates the Legislature’s leadership in the area of energy efficiency, the broad authority language in Section 196-B is concerning given policies and initiatives currently exist for consumer technology that result in real savings for consumers, while at the same time protecting consumer choice and industry innovation. We are concerned that the language at page 4, lines 19-20 and page 5,

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<sup>1</sup> Urban, Roth, Singh, & Howes. “Energy Consumption of Consumer Electronics in U.S. Homes in 2017”. December 2017. Available at: <http://www.cta.tech/cta/media/policyImages/policyPDFs/Energy-Consumption-of-Consumer-Electronics-in-U-S-Homes-in-2017.pdf>

lines 12-15 provides a blanket authorization to the Public Utilities Commission and the Department of Business, Economic Development, and Tourism “may establish standards for products not specifically listed in section 196-C”. This new, broad authority would allow the PUC and Department to create mandatory standards and regulations for virtually any electronic or electrical product. For high tech products, such government standards are not only damaging to technology innovation and design, they would not ultimately result in more energy efficiency and cost savings for Hawaii consumers as it relates to consumer technology devices. CTA’s members also have concerns with including standards for computers and computer monitors [Section 196-C(a)(1)] given these devices are covered through a regulatory scheme in California that will translate into energy efficiency savings for Hawaii consumers without additional regulatory burden for industry to comply with an additional standard in Hawaii.

**State mandated requirements are not appropriate for consumer technology products.** As evidenced above, the consumer technology industry has embraced its role in pursuing energy efficiency achievements without mandated state or federal requirements. Where standards do exist set by other states, specifically California for consumer technology products, the products sold in those states are the same as the products that are sold to Hawaii consumers. Consumer technology products (including the computers and computer monitors targeted in SB1323 SD1) are sold in a U.S. or North American market, not state-by-state. This means the computers and computer monitors sold to consumers in California are the same as those sold to Hawaii consumers.

Manufacturers design and make products to meet the most stringent standard found in their distribution market. The residents of Hawaii receive the benefits of the energy efficiency standards required for sale in California without any government involvement. Adoption of the California standards in order to achieve energy efficiency savings is a solution looking for a problem for consumer technology products. Those achievements will occur regardless of requiring industry to operate under a regulatory scheme in Hawaii for a California standard they are already complying with. The inefficiency and compliance burden for industry to ultimately achieve the same end goal of energy efficiency savings for Hawaii consumers doesn’t make sense.

**Conclusion:** CTA and its members are firmly committed to energy efficiency across our industry as demonstrated above. Industry and policymakers share the goal of energy efficiency, but there are many paths to that goal. We do not believe that the approach outlined in SB1323 SD1 is the path to get there.

Please do not hesitate to contact us with any questions or requests for additional information.

Sincerely,



Katie Reilly  
Senior Manager, Environmental and Sustainability Policy  
[kreilly@cta.tech](mailto:kreilly@cta.tech) | C: 703-625-0054



Before the House Committee on Energy & Environmental Protection  
Thursday, March 14, 2019, 8:35 a.m., Conference Room 325

Testimony in Strong Support of SB1323 SD1: Relating to Energy Efficiency

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

Thank you for the opportunity to submit comments on Senate Bill 1323 SD1. The Hawai'i Energy program would like to testify in strong **support**.

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.

Hawai'i Energy would like to affirm the critical importance of this bill. Appliance Standards will play an important role in reaching the state's Energy Efficiency Portfolio Standard of a 4300 GWh reduction by 2030, as well as boost efforts to reach our 100% clean energy goal by 2045. Hawai'i is not alone in adopting appliance standards, as over a dozen states have some form of appliance standards in place for various equipment<sup>1</sup>, with California, a market leader, having paved the way.

With minimal or no additional up-front cost, appliances in SD1323 SD1 could potentially save households with electric water heaters over \$200 annually and could save 1,122 GWh over the next 15 years. Appliance standards enable Hawai'i consumers to make the best energy, water and financial choice over the lifetime of the equipment and protect our consumers from 'dumping' by manufacturers who cannot sell less efficient products in markets where standards do exist. Standards will also protect renters who often have little say in purchasing decisions by their landlords, but who may then bear the brunt of higher electric bills.

As it relates to enforcement, Hawai'i Energy would like to emphasize that minimal active enforcement has proven to be effective in key jurisdictions. Hawai'i Energy will help to improve compliance through the education and training of appliance manufacturers, distributors, and retailers of appliances covered in this legislation. Hawai'i Energy has been working with various state agencies around supporting the successful implementation of appliance standards.

Thank you for the opportunity to provide comments on SD1323 SD1.

Sincerely,

Karen Shishido  
Transformational Program Manager  
Hawai'i Energy

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<sup>1</sup> <https://appliance-standards.org/states#states-table>



**Young Democrats of Hawaii**  
Democratic Party of Hawaii

**Testimony presented before the Committee on Energy & Environmental Protection**  
**Thursday, March 14, 2019 at 8:35 a.m.**  
**Conference Room 325**

**Senate Bill 1323, SD1**

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

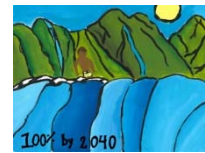
Senate Bill 1323, SD1 requires the Department of Commerce and Consumer Affairs to adopt state appliance efficiency standards. In January 2019 the Young Democrats of Hawaii conducted a member survey to identify and prioritize important issues facing young people today. Taking action on climate change was identified as one of the top three issues. YDHI members recognize that the impacts of climate change are already being felt throughout the world and in the State of Hawaii, and that actions must be taken immediately to ensure a viable future for all of Hawaii residents. The Young Democrats of Hawaii **strongly supports** the passing of Senate Bill 1323 for the following reasons:

- 1) Hawaii residents already face one of the highest costs of living in the nation, including the highest electricity price. Energy efficient appliances will allow consumers to reduce their monthly utility bills as well as reduce greenhouse gas emissions that contribute to climate change.
- 2) SB1323 will help Hawaii meet its goal of 100% clean energy by 2045 as well as the Paris Agreement. When the federal government decided to step away from the Paris Agreement in 2017, the State of Hawaii became the first state to enact legislation to implement the goals of the global accord. Hawaii must continue to lead by example for the rest of the nation and the world in climate change mitigation.

Thank you for the opportunity to testify.

Sincerely,

Executive Committee  
Young Democrats of Hawaii



## HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

March 14, 2019, 8:35 A.M.

Room 325

(Testimony is 6 pages long, including attachment)

### TESTIMONY IN STRONG SUPPORT OF SB 1323 SD1

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

Blue Planet Foundation **strongly supports** Senate Bill 1323, which sets in motion the adoption of state appliance efficiency standards that can lead to substantial savings (up to \$537 million in cumulative net utility bill savings over 15 years) for Hawaii residents and businesses.

**Senate Bill 1323 is an important measure that helps protect consumers from energy wasting appliances that drive up utility bills** by adopting a “starter suite” of appliance standards that are cost-effective and easy to implement.

Hawaii businesses and residents pay the highest electricity rates in the nation, which exacerbates our already high cost of living. Appliance efficiency standards are a low-hanging-fruit policy that can provide economic relief to Hawaii’s small businesses and struggling families. We have provided a fact sheet on the benefits of appliance efficiency standards for Hawaii along with this testimony.

## What are appliance efficiency standards?

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Appliance and equipment standards specify the minimum energy and/or water efficiency levels of specific products. Many large household appliances—like refrigerators, washers, and dryers—are regulated by national standards. Action at the state level was the catalyst for national policy. Most of the products now covered by national standards were first subject to state standards. For example, California, New York, and Florida refrigerator standards in the 1970s and 1980s were the basis of and a catalyst for the 1987 national refrigerator standards.

By adopting state appliance efficiency standards, states can fill in the gaps on appliances that aren’t regulated by the federal government. While doing so, they also decrease energy use, save consumers and businesses money, and reduce greenhouse gas emissions and other pollutants.

Many states have already adopted appliance efficiency standards, including California (the leader on state appliance standards), Connecticut, New Hampshire, New York, Oregon, Rhode

Island, Vermont, and Washington. **Adopting state appliance efficiency standards is also a priority initiative for the U.S. Climate Alliance to accelerate climate action.**<sup>1</sup>

## Hawaii has the biggest opportunity for significant savings

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Lights and appliances are far more efficient than they were just years ago. Yet energy-wasting devices are still being sold because Hawaii lacks consumer protection standards for energy efficiency in appliances. As a result, manufacturers can offload in Hawaii the noncompliant appliances that they cannot sell in other states that have adopted standards—and once these products are shipped to Hawaii, they rarely leave.

In 2017, a national study<sup>2</sup> found that Hawaii could achieve the most savings of any state by adopting state-level appliance efficiency standards, up to \$1 billion in electricity costs over 20 years, depending on the suite of appliance standards adopted—or about \$215 annually per household—with a payback that is 14 times more than the cost.

Although Senate Bill 1323 proposes a smaller “starter” subset of appliance standards than recommended in the national study, the saving potential is still substantial: \$537 million in cumulative utility bill savings over 15 years for Hawaii,<sup>3</sup> not to mention the corresponding kilowatt-hour savings that 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 (Act 32 of 2017). On an annual basis, the savings equate to \$38 million each year by 2025, and doubling to \$77 million each year by 2035.<sup>4</sup>

## Appliance standards are cost-effective

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A number of the products in SB 1323 have **no incremental cost**, meaning that they don’t cost more than inefficient models and **consumers will start saving right away**. For others, utility bill savings pay back the small incremental cost of products meeting the standards within a few

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<sup>1</sup> See <https://www.usclimatealliance.org/about-initiatives/>.

<sup>2</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/sites/default/files/States%20Go%20First.pdf>.

<sup>3</sup> See Appliance Standards Awareness Project, *2019 State Appliance Standards Recommendations – Savings estimates for Hawaii*, available at [https://appliance-standards.org/sites/default/files/state\\_savings\\_state\\_standards/Hawaii.pdf](https://appliance-standards.org/sites/default/files/state_savings_state_standards/Hawaii.pdf) (providing updated saving figures for Hawaii for 2019).

<sup>4</sup> *Id.*



months to one year. After that, savings accrue to the consumers over the lifetime of the product. Refer to Blue Planet Foundation's enclosed fact sheet for a breakdown of incremental costs.

## Senate Bill 1323 is ready to implement

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The standards referenced in SB 1323 are also easily implementable for the government agency tasked with oversight. This is because: (1) the standards are applicable to readily available products—i.e. products and technologies meeting the standards are readily available today from multiple manufacturers, and (2) other states have already done the lion's share of work to set the appropriate standards and shift manufacturers' behavior and compliance.

The proposed standards are largely modeled after California's already existing and enforced standards, meaning that the manufacturers have already adapted to the testing, certification, and labeling requirements for selling energy efficient products in California. Consequently, Hawaii can merely piggyback off of these standards for **easy implementation without a heavy lift for the local government agency tasked with oversight.**

## A critical backstop if federal standards are repealed

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Senate Bill 1323 also includes an important backstop provision to adopt federal appliance energy efficiency and water conservation standards as Hawaii state standards in the event that the federal standards are repealed or withdrawn. With uncertainty at the national level, this is a real concern for Hawaii consumers who pay the highest electricity rates in the nation.

This backstop provision is a safeguard for Hawaii consumers and sends a powerful message: If national standards go away, Hawaii will step into the breach and continue to use this proven tool to protect consumers and the environment.

## Conclusion

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Energy efficiency is the cheapest, quickest, and cleanest way to accelerate Hawaii's transition to 100% renewable energy. Adopting state appliance efficiency standards is a cost-effective, easily implementable, and proven policy to accelerate our clean energy goals while saving consumers money.

We respectfully request that the Committee forward SB as a critical consumer protection policy to the benefit of Hawaii's families and businesses, and amend the measure to take effect upon arrival.



We are happy to work with the Committee and key stakeholders on any proposed amendments to the bill to ensure that Hawaii consumers can benefit from these substantial savings.

Thank you for the opportunity to testify.

# Hawaii Appliance Efficiency Standards

SB 1323 / HB 556

## Basics of appliance efficiency standards

HAWAII BUSINESSES AND RESIDENTS PAY THE HIGHEST ELECTRICITY RATES IN THE NATION. EFFICIENCY STANDARDS ENSURE THAT THE PRODUCTS WE PURCHASE USE LESS ENERGY AND WATER WHILE ENSURING QUALITY, AFFORDABILITY, AND PROGRESS TOWARD OUR CLEAN ENERGY AND CLIMATE GOALS.

- Set a minimum level of energy and water efficiency for certain household and commercial appliances.
- Piggyback off of California standards for easy implementation.
- Provide substantial savings for consumers and businesses.
- Encourage innovative water- and energy-saving technologies.
- Protect consumers against manufacturers who would otherwise sell the less efficient appliances that they can't sell in markets without such protections.

"Those savings are particularly important for low-income households, who struggle to pay their energy bills and are too often faced with termination of vital utility services due to non-payment."

— Charlie Harak, National Consumer Law Center

## \$537 MILLION

NET UTILITY BILL SAVINGS HAWAII CONSUMERS AND BUSINESSES COULD SEE OVER 15 YEARS IF THE PROPOSED STANDARDS ARE ADOPTED.

### AFFORDABILITY

Consumers and businesses save money on utility bills

### JOBS

Local economies get a boost when consumers have more spending money.

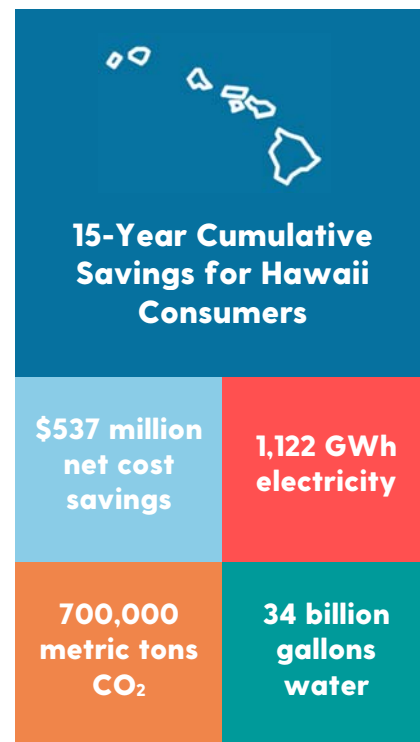
### CLEAN ENERGY

Reducing air pollutants and greenhouse gas emissions improve public health and accelerate progress toward meeting our clean energy and climate mitigation targets.

## Cost-effective and ready to implement

The standards proposed in SB 1323 and HB 556 are:

- **COST EFFECTIVE:** A number of the products in the bill have no incremental cost, meaning that they don't cost more than inefficient models and consumers will start saving right away. For others, utility bill savings pay back the small incremental cost of products meeting the standards within a few months to one year. After that, savings accrue to the consumers over the lifetime of the product.
- **APPLICABLE TO READILY AVAILABLE PRODUCTS:** Products and technologies meeting the standards are readily available today from multiple manufacturers.
- **IMPLEMENTABLE AT LOW COST:** Each standard is ready to implement because other states are already using or proposing identical standards.



Savings for Hawaii consumers						
	Average lifetime (years)	Per-unit incremental cost (\$)	Per-unit annual savings		Per-unit annual utility bill savings in 2021 (\$/yr)	Lifecycle cost savings (\$)
			Electricity (kWh/yr)	Water (gallons/yr)		
<b>Computers and monitors</b>						
<i>Desktops</i>	5	\$14.27	49	--	\$15.38	\$51.28
<i>Notebooks</i>	4	\$1.02	4	--	\$1.13	\$2.92
<i>Monitors</i>	7	\$5.10	28	--	\$8.69	\$44.17
<b>Faucets</b>						
<i>Residential lavatory</i>	10	\$0	54	651	\$23.67	\$180.39
<i>Kitchen</i>	10	\$0	210	2,543	\$92.53	\$705.23
High CRI fluorescent lamps	15	\$4.34	12	--	\$3.90	\$35.75
Showerheads	10	\$0	303	2,503	\$121.04	\$919.79
Spray sprinkler bodies	9	\$3.34	--	299	\$3.13	\$19.43

**Notes:** Faucet and showerhead savings assume an electric water heater. High CRI fluorescent lamp costs and savings assume a Type A LED replacement lamp. Lifecycle cost savings are equal to the present value of the lifetime utility bill savings minus the present value of the incremental cost for a product purchased in 2021. Savings and costs are discounted to 2019 using a discount rate of 5%.



CONTACT: [info@blueplanetfoundation.org](mailto:info@blueplanetfoundation.org); (808) 954-6161

Savings calculations provided by *Appliance Standards Awareness Project (ASAP)*, [appliance-standards.org](http://appliance-standards.org)

[info@blueplanetfoundation.org](mailto:info@blueplanetfoundation.org)

55 Merchant Street 17<sup>th</sup> Floor • Honolulu, Hawai'i 96813 • 808-954-6161 • [blueplanetfoundation.org](http://blueplanetfoundation.org)



# ELEMENTAL EXCELERATOR

**Written Statement of Elemental Excelerator  
before the House Committee on Energy and Environmental Protection  
Thursday, March 14, 2019**

## **In consideration of SB 1323 SD 1 RELATING TO APPLIANCE EFFICIENCY STANDARDS**

**Aloha Chair Lowen, Vice-Chair Wildberger, and Members of the House Committee on Energy and Environmental Protection:**

Elemental Excelerator respectfully submits our **support for SB 1323 SD 1**, which requires the Public Utilities Commission and Department of Business, Economic Development, and Tourism to adopt state appliance efficiency standards consistent with California's existing appliance efficiency standard.

Elemental Excelerator is a Honolulu-based growth accelerator program founded and operating in Hawai'i. We have awarded over \$30 million to 82 companies resulting in 56 demonstration projects in Hawai'i & Asia Pacific. Each year, we evaluate over 500 companies and look for innovative entrepreneurs from around the world to come to Hawai'i and find transformative solutions to help us achieve our 100% clean energy goals and solve our most pressing environmental problems. We select 15-20 companies annually that best fit our mission and fund each company up to \$1 million.

In April 2018, Elemental Excelerator commissioned a study entitled *Transcending Oil: Hawai'i's Path to a Clean Energy Economy*. The study found that in Hawai'i, transitioning to renewable energy is cheaper than sticking with fossil fuels like oil. The faster we go, the cheaper it will be.<sup>1</sup>

### **We support SB 1323 SD 1 for the following reasons:**

1. **It will support the acceleration of our clean energy goals:** The adoption of state appliance efficiency standards strengthens and reaffirms our state's commitment to its clean energy goals. In 2014, the *Hawai'i Energy Efficiency Potential Study* assessed whether the State is on track to meet the Energy Efficiency Portfolio Standard (EEPS) 2030 goal of 4,300-gigawatt hours (GWh) savings. The assessment found that one-third of the goal could be reached through the adoption of new appliance standards and implementation of updated building codes. The 2014 assessment estimated that Hawai'i's economic energy efficiency potential could be as high as 6,210 GWh by 2030, 44% greater than the current goal.<sup>2</sup>
2. **It is economically responsible:** A July 2017 study by the Appliance Standards Awareness Project called *States Go First: How States Can Save Consumers Money, Reduce Energy and Water Waste, and Protect the Environment with New Appliance*

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<sup>1</sup> Transcending Oil, pg.3, Retrieved from <https://www.transcendingoil.com/>

<sup>2</sup> Hawai'i Energy Efficiency Potential Study. (n.d.). Retrieved from [https://puc.hawaii.gov/wp-content/uploads/2013/04/State\\_of\\_HI\\_Potential\\_Study\\_Final.pdf](https://puc.hawaii.gov/wp-content/uploads/2013/04/State_of_HI_Potential_Study_Final.pdf)

*Standards*, identifies potential for \$119 and \$235 per household annual energy and water savings per household in Hawai'i in 2025 and 2035 respectively.<sup>3</sup> This is particularly important, given the findings by Aloha United Way's *ALICE Report* that identifies 48% of households in Hawai'i are "Asset Limited, Income Constrained, and Employed."<sup>4</sup>

- 3. It opens up opportunities for innovation to achieve efficiency standards:** Innovation has the potential to reduce the cost of very high levels of renewable energy penetration, through technologies such as advanced storage and high levels of demand response (DR). About 17% of Elemental Excelerator's 82 portfolio companies, such as Hawai'i grown company Pono Home, focus on energy efficiency, demonstrating an increased opportunity to attract innovation with forward-thinking policies.<sup>5</sup>

Mahalo for the opportunity to provide testimony on this legislation.

Sincerely,



Aki Marceau  
Managing Director, Policy & Community - Hawai'i

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<sup>3</sup> Mauer, J., DeLaski, A., & DiMascio, M. (2017, July). States Go First: How States Can Save Consumers Money, Reduce Energy and Water Waste, and Protect the Environment with New Appliance Standards. Retrieved from [https://appliance-standards.org/sites/default/files/States Go First.pdf](https://appliance-standards.org/sites/default/files/States%20Go%20First.pdf)

<sup>4</sup> ALICE: A Study of Financial Hardship in Hawai'i. (2017). Retrieved from <https://www.auw.org/alice>

<sup>5</sup> Pono Home. (n.d.). Retrieved from <https://elementalexcelerator.com/companies/pono-home/>





Email: [communications@ulupono.com](mailto:communications@ulupono.com)

HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION  
Thursday, March 14, 2019 — 8:35 a.m. — Room 325

**Ulupono Initiative Supports SB 1323 SD 1, Relating to Appliance Efficiency Standards**

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 SB 1323 SD 1**, which requires the Department of Business, Economic Development, and Tourism to adopt state appliance efficiency standards, because it aligns with our goals of reducing Hawai'i's dependence on imported fossil fuels and preserving Hawai'i's water resources.

For energy consumption reduction to be successful, we need consumers and businesses to use energy efficiency appliances. This will help reduce the usage of imported fossil fuel for generating electricity. In addition, according to the Consumer Federation of America, this bill will help save \$537 million between 2021 and 2035 for Hawai'i's residents. Energy efficiency measures are normally the lowest cost way to reduce fossil fuel use.

This bill would also help to reduce water usage thru more water efficient appliances. As an island state with finite water resources, water conservation measures are critical to protecting our long-term future.

Furthermore, updating appliance standards for energy and water efficiency does not require the use of State funds.

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

Thank you for this opportunity to testify.

Respectfully,

Murray Clay  
Managing Partner

*Investing in a Sustainable Hawai'i*



To: The House Committees on Energy and Environmental Protection  
From: Brodie Lockard, Hawaii State Climate Lead, Organizing for Action  
Date: Thursday, March 14, 2019, 8:35 am

**In strong support of SB1323 SD1**

Dear Chair Lowen, Vice Chair Wildberger, and Committee Members—

Organizing for Action strongly supports SB1323 SD1.

This requirement for appliance efficiency standards is simple and very clearly beneficial in reaching our clean energy goals. Just use California's standards. Appliance manufacturers already make products for California standards. It's no hardship on them.

California has done all the work. All we need to do is adopt their standards and we'll save a billion dollars over 20 years.

Hawaii businesses and residents pay the highest electricity rates in the nation. Efficiency standards ensure that the products we purchase use less energy and water while ensuring quality, affordability, and progress toward our clean energy and climate goals. Implementing them costs the State nothing.

Let's protect consumers against manufacturers who would otherwise sell the less efficient appliances that they can't sell in markets without such protections. These savings are particularly important for low-income households, who struggle to pay their energy bills and are too often faced with termination of vital utility services due to non-payment.

Do the smart, easy thing and pass SB1323 SD1.

Thank you for the opportunity to testify.

Brodie Lockard  
Hawaii State Climate Lead, Organizing for Action



March 13, 2019

Representative Nicole E. Lowen  
District 6  
Hawaii State Capitol  
415 South Beretania Street  
Room 425  
Honolulu, HI 96813

**PMI 2019**  
**Board of Directors**

**Nate Kogler**  
Bradley Corporation  
President

Representative Tina Wildberger  
District 11

**Joel Smith**  
Kohler Co.  
Vice President

Hawaii State Capitol  
415 South Beretania Street  
Room 327

**Todd Teter**  
Moen, Incorporated  
Secretary-Treasurer

Honolulu, HI 96813

**Peter Jahrling**  
Sloan Valve Company  
Immediate Past  
President

**RE: HAWAII SB 1323 SD1 – APPLIANCE EFFICIENCY STANDARDS**

Dear Chair Lowen and Vice Chair Wildberger:

**Chip Way**  
Lavelle Industries, Inc.

Plumbing Manufacturers International (PMI) appreciates this opportunity to provide comments to the House Committee on Energy & Environmental Protection regarding Hawaii SB 1323 SD1 that looks to adopt appliance efficiency standards for faucets and showerheads within the State of Hawaii that are modeled after Title 20 of California’s Code of Regulations.

**Carol Baricovich**  
InSinkErator

PMI is an international, U.S.-based trade association representing manufacturers that provide 90% of the plumbing products sold in the United States. PMI members manufacture water-efficient toilets, urinals, faucets, showerheads and other plumbing products at more than 70 locations across the country for the residential and commercial marketplace. These products are readily available at home improvement stores, hardware stores and showrooms in all 50 states, as well as online. **In Hawaii, plumbing manufacturers contribute \$234 million to the economy, provide more than 1500 good paying jobs with their wholesale and retail partners, and generate \$74.8 million in wages.**

PMI has 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.

<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.



Regarding the proposed bill, PMI **opposes** the bill as currently drafted and would like to bring to your attention the following comments for your consideration (**Please note:** PMI's proposed text changes are indicated in **red**):

- Based on recent research that was funded by the California Energy Commission and conducted by Gary Klein and Associates, Inc. titled: "*Code Changes and Implications of Residential Low Flow Hot Water Fixtures*"<sup>2</sup>, Mr. Klein submitted a letter (click **here** to view) to the State of Washington that is also looking to reduce the water consumption levels for showerheads, lavatory faucets and kitchen faucets to match those used in California. In the letter, Mr. Klein states the following:

***"Our research found that reducing flow rates without a corresponding reduction in pipe sizing does not save water in proportion to the change in flow rate. In fact, lowering flow rates of showers actually increases the waste of water while waiting for the hot water to arrive, eating up much of the savings that accrue during the shower itself. We also found that lavatory and kitchen faucets are rarely used at full flow – this is reserved for filling pots or the sink basin itself. Faucets are typically opened to the flow rate needed for the task at hand, which is often less than half of the rated flow. As with showers, lowering faucet flow rates will not save water or energy in proportion to the change in flow rate; mostly it will increase the time it takes to fill pots."***

***"There are unintended consequences to public health that can come from reducing flow rates without a corresponding reduction in pipe size. Lower flow rates increase the residence time of the water in the piping from the time it leaves the water treatment plant until it arrives at the building as well as within the building itself. This changes the dosing schedule for disinfection applied at the water treatment plant, generally increasing the amount that is needed to ensure that enough arrives at distant buildings, and ultimately at distant fixtures within those buildings. Lower flow rates and smaller water volumes also impact the functioning of the entire waste water treatment system."***

- Based on the November 2017 white paper titled: "*Adapting to Change: Utility Systems and Declining Flows*"<sup>3</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 decides to move forward on lowering the water consumption levels of faucets and showerheads below current state levels, PMI **strongly recommends** that the state adopt levels that are consistent with the EPA WaterSense® program and utilize the appropriate test procedures in accordance with federal standards as follows (Please note: PMI's proposed text changes are indicated in **red**):

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<sup>2</sup> It should be noted that a final report has not been issued for this research study and that Gary Klein and Associates, Inc. does not speak on behalf of the California Energy Commission.

<sup>3</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).

- If the State of Hawaii decides to lower the water consumption levels of private lavatory faucets and showerheads below current state levels, PMI believes that the state should adopt maximum flow rates of 1.5 gpm for private lavatory faucets (which includes residences and private restrooms in hotels and hospitals) and 2.0 gpm for showerheads that are consistent with the EPA WaterSense® program. Such requirements will ensure that private 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.
- On page 5 (lines 19 – 21) and page 6 (lines 1 – 10), under Section 196-C (Scope), if the State of Hawaii decides to lower the water consumption levels of faucets and showerheads, the appropriate test procedures for such plumbing products should be referenced in the bill to ensure that all faucets and showerheads that are sold and installed in the state have been tested in accordance with federal regulations. Therefore, PMI recommends revising the text as follows:

*(a) The public utilities commission and department of business, economic development, and tourism shall adopt the appliance energy efficiency standards in title 20 California Code of Regulations, as in effect on July 1, 2018, for:*

*(1) Computers and monitors;*

~~*(2) Faucets;*~~

~~*(2 3) High color rendering index fluorescent lamps; and*~~

~~*(4) Showerheads; and*~~

~~*(3 5) Spray sprinkler bodies;*~~

~~*(b) The public utilities commission and department of business, economic development, and tourism shall adopt appliance energy efficiency standards for faucets, except for metering faucets, and showerheads that meet the following standards when measured in accordance with the test methods prescribed in 10 CFR Appendix S to Subpart B of Part 430, Uniform Test Method for Measuring the Water Consumption of Faucets and Showerheads:*~~

~~*1) Private lavatory faucets and replacement aerators may not exceed a maximum flow rate of 1.5 gallons per minute at 60 pounds per square inch;*~~

~~*2) Showerheads may not exceed a maximum flow rate of 2.0 gallons per minute at 80 pounds per square inch;*~~

~~*3) Public lavatory faucets and replacement aerators may not exceed a maximum flow rate of 0.5 gallons per minute at 60 pounds per square inch; and*~~

~~*4) Residential kitchen faucets and replacement aerators may not exceed a maximum flow rate of 1.8 gallons per minute at 60 pounds per square inch, with optional temporary flow of 2.2 gallons per minute, provided the kitchen faucets and replacement aerators default to a maximum flow rate of 1.8 gallons per minute at 60 pounds per square inch after each use.*~~

~~*provided that the public utilities commission and department of business, economic development, and tourism shall not adopt any standard that is preempted by federal law.*~~

- On page 7, lines 9 – 15, under Section 196-D (Implementations), as far as the effective date of the proposed bill, PMI believes that for retailers and distributors to meet the new efficiency standards without incurring excessive costs or hardship, the standards should apply to products manufactured on or after January 1, 2021. Other states, including California, have

used this approach which has allowed retailers and distributors to sell through existing inventories while ensuring that products brought into stores on or after the effective date meet the new efficiency standards. PMI recommends revising the text as follows:

*(a) ~~On or after January 1, 2021, no~~ No new computer, computer monitor, faucet, high color rendering index fluorescent lamp, showerhead, or spray sprinkler body manufactured on or after January 1, 2021 shall be sold, leased, or rented, or offered for sale, lease, or rent in the State unless the efficiency of the new product meets or exceeds the efficiency standards provided in rules adopted pursuant to this part.*

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

Sincerely,



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**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.  
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\*Lavelle Industries, Inc. \*LIXIL \*Moen Incorporated \*NEOPERL, Inc. \*NSF International \*Pfister \*Reliance Worldwide Corporation \*Similor AG  
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\*WaterPik \*WCM Industries, Inc

**SB-1323-SD-1**

Submitted on: 3/12/2019 11:34:31 AM

Testimony for EEP on 3/14/2019 8:35:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Erica Scott	Individual	Support	No

Comments:

**SB-1323-SD-1**

Submitted on: 3/12/2019 9:37:17 PM

Testimony for EEP on 3/14/2019 8:35:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Lois Crozer	Individual	Support	No

Comments: