



EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

September 15, 2020

**GOV. MSG. NO. 1180**

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Thirtieth State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,  
Speaker and Members of the  
House of Representatives  
Thirtieth State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith HB1846 HD2 SD2, without my approval and with the statement of objections relating to the measure.

HB1846 HD2 SD2

RELATING TO ENERGY EFFICIENCY.

Sincerely,

DAVID Y. IGE  
Governor, State of Hawai'i

EXECUTIVE CHAMBERS

HONOLULU

September 15, 2020

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 1846

Honorable Members  
Thirtieth Legislature  
State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, House Bill No. 1846, entitled "A Bill for an Act Relating to Energy Efficiency."

The purpose of this bill is to mandate that all State facilities (other than Aloha Stadium) having an area of ten thousand square feet or more must implement all cost-effective energy efficiency measures, whether directly or through performance contracts, by January 1, 2024 (or by January 1, 2022, if the facility in question has not implemented any energy retrofit and performance contracts since 2010). Further, the State Energy Office is tasked with collecting all utility bill and energy usage data for State-owned facilities monthly and making such information available in a publicly accessible format. Finally, the bill requires that beginning July 1, 2020, if feasible and cost-effective, designs for all new state building construction must maximize energy and water efficiency, energy generation potential, and use of building materials that reduce the project's carbon footprint.

This bill is objectionable because it creates an unnecessary risk of litigation. Reasonable people could disagree on whether a given energy efficiency measure is cost-effective or not. Using the term "all cost-effective energy efficiency measures" would mean that, if the agency failed to implement even one such measure, it could be in violation of the law. Unfortunately, when reasonable people disagree on language such as this, it often means it is resolved in court, costing the state further time and money and taking away from achieving these clean energy goals. Vetoing this bill does not preclude the State from leading by example or saving tax-payer dollars.

STATEMENT OF OBJECTIONS  
HOUSE BILL NO. 1846  
Page 2

The State has the ability under current law to implement the energy efficiency measures and savings that the bill calls for without the added risk of litigation.

During this pandemic, we need to look at every opportunity to save the state money without upfront costs and we will continue to do so. I believe energy efficiency measures are a way to achieve that. To date, the Department of Public Safety, Hawaii Health Systems Corporation, Department of Transportation, and numerous other state-owned facilities have undergone and are currently under terms for energy savings performance contracting. Anticipated in 2021, are twenty-three projects valued at \$39 million addressing energy efficiency and other sustainability improvements. Working through multi-agency efforts, the State of Hawai'i is working towards acquisition of a more energy efficient vehicle fleet. Furthermore, public works projects continue to incorporate Leadership in Energy and Environmental Design building elements in new and renovated public facilities and energy savings. Performance contracts are being implemented at state facilities when feasible. Clearly, the state is already implementing the measures that this bill addresses.

For the foregoing reasons, I am returning House Bill No. 1846 without my approval.

Respectfully,



DAVID Y. IGE  
Governor of Hawai'i

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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 energy efficiency is  
2 the most cost-effective way to reduce emissions associated with  
3 electricity generation and consumption. The legislature further  
4 finds that maximizing efficiency and thereby reducing demand for  
5 power generation is a necessary component of reaching the  
6 State's goal of one hundred per cent renewable energy by 2045.  
7 Energy used to power buildings accounts for more than fifty per  
8 cent of the electricity consumed in the State, but despite  
9 setting ambitious policy goals for increased energy efficiency  
10 and renewable energy, the State has not undertaken improvements  
11 for increased efficiency in many of its own facilities, forgoing  
12 millions of dollars in potential savings. It is important for  
13 the State to lead by example when it comes to energy efficiency,  
14 energy-efficient new building construction, and maximizing  
15 savings of taxpayer dollars that would otherwise be spent on  
16 utility bills.

17           The purpose of this Act is to:



- 1           (1)   Require all state facilities, with the exception of  
2                   smaller facilities and facilities at Aloha Stadium, to  
3                   implement all cost-effective energy efficiency  
4                   measures;
- 5           (2)   Direct the Hawaii state energy office to collect all  
6                   state-owned facilities' utility bill and energy usage  
7                   data and make this data publicly available;
- 8           (3)   Provide that certain agencies that perform energy  
9                   efficiency retrofitting may continue to receive budget  
10                  appropriations for energy expenditures at an amount  
11                  that accounts for any costs or debt service for the  
12                  implementation and management of energy efficiency  
13                  measures; and
- 14          (4)   Beginning July 1, 2020, require, where feasible and  
15                  cost-effective, the design of all new state building  
16                  construction to maximize energy generation and water  
17                  efficiency, maximize energy and water efficiency,  
18                  maximize energy generation potential, and use building  
19                  materials that reduce the carbon footprint of the  
20                  project.



1 SECTION 2. Chapter 196, Hawaii Revised Statutes, is  
2 amended by adding two new sections to part II to be  
3 appropriately designated and to read as follows:

4 "§196- Energy efficiency implementation for state  
5 facilities. (a) All state facilities shall implement all cost-  
6 effective energy efficiency measures or enter into performance  
7 contracts for the implementation of all cost-effective energy  
8 efficiency measures as follows:

9 (1) Beginning on January 1, 2022, for all state facilities  
10 that have not implemented section 36-41 since 2010;

11 and

12 (2) Beginning on January 1, 2024, for all other state  
13 facilities; provided that the simple payback period  
14 shall not exceed the performance period of the  
15 contract.

16 (b) State facilities having an area under ten thousand  
17 square feet and facilities at Aloha Stadium shall be exempt from  
18 the requirements of subsection (a).

19 §196- Utility bills and energy usage data; state-owned  
20 facilities. The Hawaii state energy office shall collect all  
21 utility bill and energy usage data for state-owned facilities



1 monthly and shall make this information available in a publicly  
2 accessible format."

3 SECTION 3. Section 36-41, Hawaii Revised Statutes, is  
4 amended by amending subsection (a) to read as follows:

5 "(a) All agencies shall evaluate and identify for  
6 implementation energy efficiency retrofitting through  
7 performance contracting. Agencies that perform energy  
8 efficiency retrofitting may continue to receive budget  
9 appropriations for energy expenditures at an amount that [~~shall~~  
10 ~~not fall below the pre retrofitting energy budget but shall rise~~  
11 ~~in proportion to any increase in the agency's overall budget for~~  
12 ~~the duration of the performance contract or project payment~~  
13 ~~term.] accounts for any costs for contracts or debt service for  
14 the implementation and management of energy efficiency  
15 measures."~~

16 SECTION 4. Section 107-27, Hawaii Revised Statutes, is  
17 amended to read as follows:

18 "**§107-27 Design of state buildings.** (a) No later than  
19 one year after the adoption of codes or standards pursuant to  
20 section 107-24(c), the design of all state building construction  
21 shall be in compliance with the Hawaii state building codes,



1 except state building construction shall be allowed to be  
2 exempted from:

3 (1) County codes that have not adopted the Hawaii state  
4 building codes;

5 (2) Any county code amendments that are inconsistent with  
6 the minimum performance objectives of the Hawaii state  
7 building codes or the objectives enumerated in this  
8 part; or

9 (3) Any county code amendments that are contrary to code  
10 amendments adopted by another county.

11 (b) Exemptions shall include county ordinances allowing  
12 the exercise of indigenous Hawaiian architecture adopted in  
13 accordance with section 46-1.55.

14 (c) The State shall consider hurricane resistant criteria  
15 when designing and constructing new public schools for the  
16 capability of providing shelter refuge.

17 (d) Beginning July 1, 2020, where feasible and cost-  
18 effective, the design of all new state building construction  
19 shall:

20 (1) Maximize energy and water efficiency measures;

21 (2) Maximize energy generation potential; and





1        (3) Use building materials that reduce the carbon  
2        footprint of the project."

3        SECTION 5. This Act does not affect rights and duties that  
4        matured, penalties that were incurred, and proceedings that were  
5        begun before its effective date.

6        SECTION 6. Statutory material to be repealed is bracketed  
7        and stricken. New statutory material is underscored.

8        SECTION 7. This Act shall take effect upon its approval.

APPROVED this        day of        , 2020

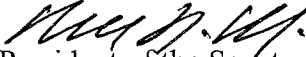
GOVERNOR OF THE STATE OF HAWAII

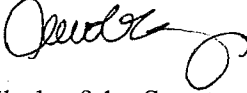


**THE SENATE OF THE STATE OF HAWAI'I**

Date: July 6, 2020  
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirtieth Legislature of the State of Hawai'i, Regular Session of 2020.

  
President of the Senate

  
Clerk of the Senate

HB No. 1846, HD 2, SD 2

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: July 10, 2020  
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirtieth Legislature of the State of Hawaii, Regular Session of 2020.



Scott K. Saiki  
Speaker  
House of Representatives



Brian L. Takeshita  
Chief Clerk  
House of Representatives