



LATE

STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 01/30/2020
Time: 08:30 AM
Location: 325
Committee: House Energy & Environmental
Protection

Department: Education

Person Testifying: Dr. Christina M. Kishimoto, Superintendent of Education

Title of Bill: HB 2498 RELATING TO ENERGY RESOURCES.

Purpose of Bill: Repeals authorization for agencies that perform energy efficiency retrofitting to receive budget appropriations for energy expenditures at an amount that does not fall below the pre-retrofitting energy budget or to set aside a portion of the moneys saved through efficiency and renewable energy system retrofitting to pay for any costs directly associated with administering energy efficiency and renewable energy system retrofitting programs.

Department's Position:

The Department of Education (Department) respectfully offers comments regarding HB 2498.

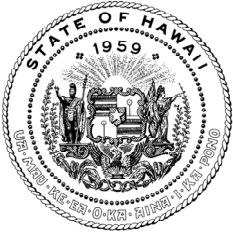
Over the past three years, the Department invested \$46.4 million in energy efficiency measures through the Hawaii Green Infrastructure Authority Green Energy Money and \$aver (HGIA GEM\$) Loan program resulting in over 12 million kilowatt hours of energy savings, which is approximately 9% of the energy consumption. These loans must be paid back over a twenty-year period with electricity efficiency savings.

Despite these significant electricity savings, the cost of electricity continues to increase based on increased oil prices and energy cost adjustments by utility companies. While overall consumption is down 9%, electricity costs have exceeded appropriations by 7%.

The impact of this bill will eliminate incentives for agencies to invest in energy efficiency retrofitting measures like the HGIA GEM\$ Loan program.

Thank you for the opportunity to provide testimony on HB 2498.

The Hawai'i State Department of Education is committed to delivering on our promises to students, providing an equitable, excellent, and innovative learning environment in every school to engage and elevate our communities. This is achieved through targeted work around three impact strategies: school design, student voice, and teacher collaboration. Detailed information is available at www.hawaiipublicschools.org.



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

235 South Beretania Street, 5TH Floor, Honolulu, HI 96813 | energy.hawaii.gov

DAVID Y. IGE
GOVERNOR

SCOTT J. GLENN
CHIEF ENERGY OFFICER

(808) 587-3807

Testimony of
SCOTT J. GLENN, Chief Energy Officer

before the
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Thursday, January 30, 2020
8:30 AM
State Capitol, Conference Room 325

In Opposition to
HB 2498
RELATING TO ENERGY RESOURCES.

Chair Lowen, Vice Chair Wildberger and members of the Committee. The Hawaii State Energy Office (HSEO) opposes HB 2498, which proposes to repeal authorization for agencies that perform energy efficiency retrofitting to receive budget appropriations for energy expenditures at an amount that does not fall below the pre-retrofitting energy budget or to set aside a portion of the moneys saved through efficiency and renewable energy system retrofitting to pay for any costs directly associated with administering energy efficiency and renewable energy system retrofitting purposes.

This proposed measure may impact agencies participation in energy performance contracting and energy retrofits, as their budgets could be impacted by the Legislature's approval process.

Thank you for the opportunity to testify.



DAVID Y. IGE
GOVERNOR

GWEN S. YAMAMOTO LAU
EXECUTIVE DIRECTOR

HAWAII GREEN INFRASTRUCTURE AUTHORITY

No. 1 Capitol District Building, 250 South Hotel Street, Suite 501, Honolulu, Hawaii 96813
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Testimony of
Gwen Yamamoto Lau
Executive Director
Hawaii Green Infrastructure Authority
before the
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Thursday, January 30, 2020
8:30 A.M.
State Capitol, Conference Room 325

in consideration of
HOUSE BILL NO. 2498
RELATING TO ENERGY RESOURCES

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

Thank you for the opportunity to testify and provide comments on House Bill 2498, relating to energy resources. This bill proposes to repeal the authorization for agencies that perform energy efficiency retrofitting to receive budget appropriations for energy expenditures at an amount that does not fall below the pre-retrofitting energy budget or to set aside a portion of the moneys saved through efficiency and renewable energy system retrofitting to pay for any costs directly associated with administering energy efficiency and renewable energy system retrofitting programs.

Act 121 (SLH 2018), which established the \$50,000,000 revolving loan fund for state agencies to finance the installation of energy efficiency retrofits and includes Act 057 (SLH 2017), the \$46,400,000 loan made to the Department of Education, currently relies on the energy savings realized on the pre-retrofitted energy budget, to repay the debt. Repealing the authorization for agencies will require the impacted Agencies to include the debt service required in their annual budget request to the Legislature.

Thank you for this opportunity to testify and provide comments for HB 2498.



Email: communications@ulupono.com

HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION
Thursday, January 29, 2020 — 8:30 a.m. — Room 325

Ulupono Initiative offers comments on HB 2498, Relating to Energy Resources

Dear Chair Lowen and Members of the Committee:

My name is Amy Hennessey, and I am the Senior Vice President of Communications & External Affairs at Ulupono Initiative. We are a Hawai'i-based impact investment firm that strives to improve our community's quality of life by creating more locally produced food; increasing affordable clean renewable energy and transportation options; and better managing waste and fresh water resources.

Ulupono offers comments on HB 2498, which repeals authorization for agencies that perform energy efficiency retrofitting to receive budget appropriations for energy expenditures at an amount that does not fall below the pre-retrofitting energy budget or to set aside a portion of the moneys saved through efficiency and renewable energy system retrofitting to pay for any costs directly associated with administering energy efficiency and renewable energy system retrofitting programs.

Ulupono is concerned that if budgets are lowered after energy efficiency (EE) projects are installed and the subsequent costs are lowered, the department or agency may have little incentive to pursue EE as they reap no financial benefit for their departments. That being said, consistent funding should be provided for future EE retrofitting projects through the State Legislature should this measure move forward.

Thank you for this opportunity to testify.

Respectfully,

Amy Hennessey, APR
Senior Vice President, Communications & External Affairs

Investing in a Sustainable Hawai'i

HB-2498

Submitted on: 1/29/2020 7:52:28 PM

Testimony for EEP on 1/30/2020 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
David Mulinix	Our Revolution Hawaii	Support	No

Comments:

LATE



HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

January 30, 2020, 8:30 A.M.

Room 325

(Testimony is 3 pages long)

LATE

TESTIMONY IN OPPOSITION TO HB 2498

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

Blue Planet Foundation **opposes HB 2498**, which would negatively impact energy savings performance contracting (ESPC) for state agencies and essentially erode the ESPC process as a viable option for state agencies to finance energy efficiency upgrades.

ESPC is a contracting and financing method that provides upfront financing for energy efficiency projects that is then repaid over time by the cost savings resulting from the upgrades. This budget-neutral approach saves taxpayers money by reducing energy and water waste and saving those operating funds for other priorities. In other words, state agencies facing aging infrastructure, rising energy costs, and limited budgets can redirect those dollar savings toward critical “lead-by-example” building and infrastructure improvements or other uses.

Blue Planet is concerned about the proposed changes to HRS § 36-41 contemplated in HB 2498, which makes funding for ESPCs discretionary. For an ESPC program to be successful, state agencies must have certainty that the resulting energy savings from a project are sufficient to cover the cost of the project for the duration of the performance contract or project payment term. State agencies are unlikely to move forward with a project without this assurance. HB 2498 would severely undermine government performance contracting in Hawai'i.

We respectfully request that the Committee hold HB 2498.

Thank you for the opportunity to testify.



Hawai'i Energy

YOUR CONSERVATION & EFFICIENCY PROGRAM

1132 Bishop Street, Suite 1800 • Honolulu, Hawai'i 96813 • HawaiiEnergy.com • P: (808) 839-8880 • F: (808) 441-6068

Before the House Committee on Energy and Environmental Protection
Thursday, January 30, 8:30 AM, Conference Room 325
HB 2498: Relating to Energy Resources

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

The Hawai'i Energy program is testifying in **opposition** of HB 2498.

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. Energy efficiency is cheapest option to help us achieve our 100% clean energy goal by eliminating waste and being more efficient.

Energy Savings Performance Contracting (ESPC) is a budget-neutral approach to make building improvements that reduce energy and water use and increase operational efficiency. By partnering with an energy service company (ESCO), state agencies can use an ESPC to pay for facility upgrades with future energy savings—without tapping into capital budgets or needing seek funding from the Legislature.

Most states have some form of an ESPC program, usually directed toward fellow state agencies and/or local governments. Hawai'i is no different and the Hawai'i State Energy Office has an active and successful ESPC program. The State of Hawai'i has benefitted substantially from ESPC's. Hawai'i Energy estimates that since 1996, Hawai'i government agencies have saved, on average, more than 5 million kilowatt hours a year, equating to over \$24 million in savings, with the majority of this coming through ESPC's.

The nonprofit Energy Services Coalition (ESC) recognized Hawai'i for the eighth consecutive year as the nation's cumulative per capita leader for investment in state and county energy efficiency projects, which are helping Hawai'i meet its clean energy goals.

The key to a successful ESPC is that state agencies must have the certainty that the energy savings from the project is sufficient to cover the cost of the project for the duration of the performance contract or project payment term. Without this assurance, state agencies will not move forward with efficiency projects. The current language HRS 36-41 is necessary to provide this assurance. The proposed changes to HRS 36-41 in HB2498 makes funding discretionary and will undermine the effectiveness of ESPC's and ultimately derail the success Hawai'i has made from utilizing ESPC's.

As technologies have evolved and improved in efficiency, there still remains substantial savings potential in state facilities to drive further efficiencies and reduce the energy burden on taxpayers.

Thank you for the opportunity to provide comments on and our **opposition** of HB2498.

Brian Kealoha
Executive Director
Hawai'i Energy

HB-2498

Submitted on: 1/29/2020 9:01:56 AM

Testimony for EEP on 1/30/2020 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
J Riverstone	Individual	Support	No

Comments:

HB-2498

Submitted on: 1/29/2020 9:00:57 AM

Testimony for EEP on 1/30/2020 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
william metzger	Individual	Support	Yes

Comments:

HB-2498

Submitted on: 1/29/2020 8:02:28 AM

Testimony for EEP on 1/30/2020 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Julie Stowell	Individual	Support	No

Comments:

HB-2498

Submitted on: 1/29/2020 8:36:51 AM

Testimony for EEP on 1/30/2020 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Janet Pappas	Individual	Support	No

Comments:

HB-2498

Submitted on: 1/29/2020 8:13:36 AM

Testimony for EEP on 1/30/2020 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jan Barosh	Individual	Support	No

Comments:

HB-2498

Submitted on: 1/29/2020 7:25:53 AM

Testimony for EEP on 1/30/2020 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Meredith Buck	Individual	Support	No

Comments:

I support this bill.

HB-2498

Submitted on: 1/29/2020 5:56:32 AM

Testimony for EEP on 1/30/2020 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Lynn Aaberg	Individual	Support	Yes

Comments:

Please support energy efficiency!

HB-2498

Submitted on: 1/29/2020 12:00:07 AM

Testimony for EEP on 1/30/2020 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Phaethon Keeney	Individual	Support	No

Comments:

HB-2498

Submitted on: 1/28/2020 11:09:44 PM

Testimony for EEP on 1/30/2020 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Caroline Kunitake	Individual	Support	No

Comments:

Please support HB2498.

Mahalo,

Caroline Kunitake

HB-2498

Submitted on: 1/29/2020 9:55:40 AM

Testimony for EEP on 1/30/2020 8:30:00 AM

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

Comments:

HB-2498

Submitted on: 1/29/2020 10:54:24 AM

Testimony for EEP on 1/30/2020 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
ChristopherMcCullough	Individual	Support	No

Comments:

HB-2498

Submitted on: 1/29/2020 11:19:10 AM

Testimony for EEP on 1/30/2020 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

HB-2498

Submitted on: 1/29/2020 3:25:41 PM

Testimony for EEP on 1/30/2020 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Joshua Brown Clay	Individual	Support	No

Comments:

HB-2498

Submitted on: 1/29/2020 7:16:16 PM

Testimony for EEP on 1/30/2020 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sherry Pollack	Individual	Support	No

Comments:

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