



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

DAVID Y. IGE
GOVERNOR

SCOTT J. GLENN
CHIEF ENERGY OFFICER

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Testimony of
SCOTT J. GLENN, Chief Energy Officer

before the
HOUSE COMMITTEE ON FINANCE

Thursday, February 25, 2021
11:00 AM
State Capitol, Conference 308

In SUPPORT of
HB 116, HD2
RELATING TO ENERGY EFFICIENCY.

Chair Luke, Vice Chair Cullen, and Members of the Committee, the Hawaii State Energy Office (HSEO) supports HB 116, HD2, which would authorize the Chief Energy Officer of the HSEO to establish or amend appliance efficiency standards in certain situations and to adopt rules to enforce minimum efficiency standards for certain products.

This responsibility to adopt efficiency standards is consistent with HSEO's mission "to promote energy efficiency, renewable energy, and clean transportation to help achieve a resilient clean energy economy" (Section 196-71(a), Hawaii Revised Statutes).

HSEO agrees that including other appliances such as portable electric spas can help Hawaii residents save on utility bills. By being included on the list of states with higher efficiency standards for these items, manufacturers would direct their more efficient products to Hawai'i rather than viewing Hawai'i as a potential dumping ground for less efficient products.

Thank you for the opportunity to testify.

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

TO THE
HOUSE COMMITTEE ON
FINANCE

February 25, 2021
11:00 a.m.

Chair Luke and Members of the Committee:

MEASURE: H.B. No. 116 HD2

TITLE: RELATING TO ENERGY EFFICIENCY.

DESCRIPTION: Authorizes the Chief Energy Officer of the Hawaii State Energy Office to adopt rules to enforce minimum efficiency standards for certain products and establish or amend appliance efficiency standards in certain situations. Regulates the appliance efficiency standards for portable electric spas. Effective 7/1/2050. (HD2)

POSITION:

The Public Utilities Commission (“Commission”) supports this measure and offers the following comments for consideration.

COMMENTS:

The Commission supports this measure and its intent to adopt and enforce minimum efficiency standards for certain appliances.

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 several energy efficiency programs and incentives and has established relationships with appliance manufacturers and distributors throughout the course of developing its programs. As needed, Hawaii Energy can conduct additional outreach and education activities to appliance manufacturers and distributors to ensure that they are aware of any new appliance standards.

Thank you for the opportunity to testify on this measure.



HOUSE COMMITTEE ON FINANCE

February 25, 2021, 11:00 A.M.

Video Conference

TESTIMONY IN SUPPORT OF HB 116 HD2

Aloha Chair Luke, Vice Chair Cullen, and members of the Committee:

Blue Planet Foundation **supports HB 116 HD2**, which can lower monthly utility bills for Hawai'i's residents and businesses at a time when many are facing new levels of financial hardship in our already-high cost of living state. This bill does two things:

- (1) Adds portable electric spas to Hawai'i's list of products with minimum energy efficiency standards, which can yield substantial savings; and
- (2) Allows the State Energy Office to add additional efficiency standards to the state's list through the administrative rulemaking process.

Hawai'i businesses and residents pay the highest electricity rates in the nation. According to Aloha United Way, nearly half of Hawai'i's families were living paycheck to paycheck even before the pandemic.¹ Reverting back to business as usual isn't enough. We need enhanced approaches that protect families by ensuring affordable monthly energy bills. Minimum efficiency standards are a low-hanging-fruit, cost-effective policy that can provide economic relief to Hawai'i's small businesses and struggling families.

What are minimum efficiency standards?

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 has historically been 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 minimum efficiency standards at the state level, states can fill in the gaps on household products that aren't regulated by the federal government. While doing so, they

¹ *ALICE: A Study of Financial Hardship in Hawai'i*, Aloha United Way, <https://www.auw.org/alice>.

also decrease energy use, save consumers and businesses money, and reduce greenhouse gas emissions and other pollutants.

Like Hawai'i, many states have already adopted appliance efficiency standards to save families and business money, including California (the leader on state appliance standards), Colorado, Connecticut, Oregon, Rhode Island, Vermont, and Washington.

Hawai'i has more opportunities for significant savings

In 2019, the State Legislature passed HB 556, signed into law as Act 141, which established the state's first ever minimum efficiency standards for certain products—computers and computer monitors, faucets, showerheads, sprinklers, and certain fluorescent lamps. The standards for those products are expected to save Hawai'i residents and businesses up to \$537 million in cumulative utility bill savings over 15 years.

Hawai'i residents can realize even more savings by adding portable electric spas to the list of products with minimum efficiency standards. On an annual basis, the **savings for these products alone equate to \$1.2 million each year by 2025, and roughly quadrupling to \$4 million each year by 2035.**² For consumers purchasing portable electric spas that meet the standards, utility bill savings pay back the small incremental cost within six months. After that, savings accrue to the consumers over the lifetime of the product.

Adding portable electric spas can also **reduce air pollutants and greenhouse gas emissions**, which can result in public health benefits and help the state meet its clean energy and climate change mitigation targets. Cumulatively through 2035, standards for portable electric spas will avoid 46,300 metric tons of carbon dioxide, 147 tons of nitrogen oxide, and 224 tons of sulfur dioxide.³

HB 116 streamlines the process for adding money-saving products

To more efficiently add and thoroughly vet new minimum efficiency for products not currently on the state list, HB 116 proposes authorizing the State Energy Office to add additional products through administrative rulemaking, as opposed to adding them legislatively each and every time a new product is considered. **This streamlining makes sense and would ensure that a public process for input on new efficiency standards remains in place.** The State Energy Office has dedicated staff with expertise on efficiency codes and standards and is well suited to consider new standards that promote energy conservation in the state and would be

² See Appliance Standards Awareness Project, 2021 *State Appliance Standards Recommendations – Savings estimates for Hawaii*, https://appliance-standards.org/sites/default/files/state_savings_state_standards/Hawaii.pdf (providing updated saving figures for Hawai'i for 2021).

³ *Id.*

cost effective for consumers who purchase and use such new products (these considerations are included in the bill as guardrails for the State Energy Office's rulemaking authority).

Conclusion

Energy efficiency is the cheapest, quickest, and cleanest way to accelerate Hawai'i's transition to 100% renewable energy. As proposed in HB 116, streamlining the process and adding additional 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 HB 116 HD2, amended to take effect upon approval.

Thank you for the opportunity to provide testimony.



Hawai'i Energy

YOUR CONSERVATION & EFFICIENCY PROGRAM

45 North King Street, Suite 500 • Honolulu, Hawai'i 96817 • HawaiiEnergy.com • P: (808) 839-8880 • F: (808) 441-6068

Before the House Committee on Finance
Thursday, February 25, 2021, 11:00am

Testimony in Strong Support of HB116 HD2: Relating to Energy Efficiency

Chair Luke, Vice-Chair Cullen, and Members of the Committee:

Thank you for the opportunity to submit comments on House Bill 116 HD2. The Hawai'i Energy program, the Public Benefits Fee Administrator, 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.

In 2019, the State Legislature passed Hawai'i's first minimum appliance standards, a law that went into effect on January 1st of this year. Although progress has been made, it is crucial to continue to push for more minimum standards that will enable further savings and customer protection for different appliances.

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.

In addition, adopting the appliance energy standards modeled after and already implemented in California will allow Hawai'i to benefit from the market power that California exerts on manufacturers and the appliances they produce and ensure consistency for manufacturers.

We also support the Chief Energy Officer to be able to determine future appliance efficiency standards, and we are available to support the Chief Energy Officer in making that determination.

Hawai'i Energy supports minimum appliance standards as a cost effective way to help reach our state's clean energy and carbon neutrality goals. Thank you for the opportunity to provide comments on HB116 HD2.

Sincerely,
Brian Kealoha
Executive Director
Hawai'i Energy

February 24, 2021

Committee on Finance
Hawaii House of Representatives
Honolulu, HI

RE: HB116 HD2, relating to energy efficiency

Dear Chair Luke, Vice Chair Cullen, and Honorable Members of the House Committee on Finance:

Please accept this testimony on behalf of the Appliance Standards Awareness Project (ASAP).

ASAP is a coalition project with a steering committee that includes representatives from energy efficiency, consumer and environmental advocacy groups, state government, and utilities. ASAP works to advance cost-effective appliance efficiency standards at the federal and state level.

Our organization, along with the American Council for an Energy-Efficient Economy (ACEEE), published *States Go First*, a 2017 report on state appliance standards which forms the basis for the product efficiency standard in this bill.¹ We also publish annually updated estimates of energy, air pollution, and utility bill savings that states can achieve by adopting product efficiency standards. We would be happy to provide additional information about the products, standards, and analysis as requested.

HB116 HD2 WOULD CONTINUE HAWAII'S LEADERSHIP ON APPLIANCE STANDARDS

In 2019, Hawaii passed efficiency standards for five products, becoming one of the first states in the nation to do so and putting it on the path toward saving millions of dollars from decreased utility bills. Adopting the appliance standard in HB116 HD2 would further reduce energy waste and lower the utility bills of consumers and businesses – an important undertaking given Hawaii's highest-in-the-nation electricity prices. These savings would be on top of the estimated \$945 per year Hawaiians are already saving thanks to federal appliance efficiency standards.²

HELPS CONSUMERS AND BUSINESSES SAVE MONEY

The bill would set a minimum energy efficiency standard for portable electric spas (also known as hot tubs). If adopted, our analysis shows this standard could save Hawaii residents and businesses \$1.2 million annually on utility bills by 2025.³ These savings reach \$4 million annually by 2035 as market changeover occurs and less efficient products are replaced by those more efficient.⁴ These utility bill savings represent money that would remain in consumers and businesses pockets, available to be recirculated into the local economy.

¹ 2017 ASAP/ACEEE report: [States Go First: How States Can Save consumers Money, Reduce Energy and Water Waste, and Protect the Environment with New Appliance Standards.](#)

² See ASAP Hawaii savings from federal appliance standards, found at https://appliance-standards.org/sites/default/files/fedappl_hi.pdf

³ See ASAP 2021 Hawaii Appliance Standards Savings Table, found at https://appliance-standards.org/sites/default/files/2021_Hawaii_Appliance_Standards_Savings_Table.pdf

⁴ Ibid.



REDUCES CLIMATE EMISSIONS AND OTHER AIR POLLUTION

Increased energy efficiency also helps achieve reduced air pollution. ASAP estimates the standard proposed in HB 116 HD2 would, by 2035, result in cumulative savings of 95 gigawatt hours of electricity, allowing the avoidance of 46,000 metric tons of CO₂, 223 tons of Sulfur Dioxide, and 147 tons of nitrogen oxides.⁵

EFFICIENCY STANDARDS: A COST-EFFECTIVE WAY TO HELP ACHIEVE STATE GOALS

Adopting efficiency standards is a low-cost way for Hawaii to cut energy waste, save money on utility bills, and reduce greenhouse gases – helping aid the success of the Hawaii Clean Energy Initiative.

We would be happy to provide further information, answer questions about appliance standards, or provide technical assistance should such a need arise.

Sincerely,

Brian Fadie
State Policy Associate
Appliance Standards Awareness Project

⁵ See ASAP 2021 Hawaii Appliance Standards Savings Table, found at https://appliance-standards.org/sites/default/files/2021_Hawaii_Appliance_Standards_Savings_Table.pdf



LATE

February 25, 2021

The Honorable Sylvia Luke
House Committee on Finance
House District 25
Hawaii State Capitol, Room 306

The Honorable Ty J.K. Cullen
House Committee on Finance
House District 39
Hawaii State Capitol, Room 320

Re: Support for House Bill 116 — HSEO; Chief Energy Officer; Appliance Energy Standards; Portable Electric Spas.

Dear Madam Chair Luke and Vice Chair Cullen:

This bill, relating to the adoption of rules to enforce minimum efficiency standards for certain products, provides for energy efficiency requirements for appliances used by the citizens of Hawaii and is supported by the Pool & Hot Tub Alliance. By requiring minimum efficiencies, this bill will save consumers and businesses money on their utility bill at the same time decreasing energy consumption and reducing greenhouse gases.

The portable spa provisions in this bill are consistent with what is used within the industry and in other state and national standards. We fully support the requirement to have Hawaiian portable spas meet the latest edition of the ANSI/APSP/ICC-14 Standard for Portable Electric Spa Energy Efficiency. This standard has been adopted by over 21 states through either the adoption of the International Pool and Spa Code (ISPSC) or by appliance energy efficiency legislation similar to what Hawaii is considering in HB 116.

Additionally, at least 10 additional state legislatures have either filed or will file legislation to adopt the Portable Electric Spa Energy Efficiency APSP-14 Standard in 2021. To ensure consistency with what is required within this standard and a higher compliance rate, we strongly support its inclusion into statute via this legislation.

On behalf of the many Hawaiian pool and spa professionals represented by PHTA, as well as those states that do business in Hawaii, we respectfully request that you consider moving this important legislation out of your committee.



Sincerely,

Jason Davidson

PHTA, Director of Government Relations

jdavidson@phta.org

About Us

The Pool & Hot Tub Alliance was formed in 2019, combining the Association of Pool & Spa Professionals (APSP) and the National Swimming Pool Foundation (NSPF). With the mission to “Celebrate the Water,” PHTA facilitates the expansion of swimming, water safety and related research and outreach activities aimed at introducing more people to swimming, making swimming environments safer and keeping pools open to serve communities.

APSP, now the PHTA, is the world’s oldest and largest association representing swimming pool, hot tub, and spa manufacturers, distributors, manufacturers’ agents, designers, builders, installers, suppliers, retailers, and service professionals. Dedicated to the growth and development of its members’ businesses and to promoting the enjoyment and safety of pools and spas, PHTA offers a range of services, from professional development to advancing key legislation and regulation at the federal and local levels, to consumer outreach and public safety. PHTA is the only industry organization recognized by the American National Standards Institute to develop and promote national standards for pools, hot tubs, and spas. For more information, visit PHTA.org.



2111 Eisenhower Ave., Ste 500
Alexandria, VA 22314

HB-116-HD-2

Submitted on: 2/23/2021 10:34:57 PM

Testimony for FIN on 2/25/2021 11:00:00 AM

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

Comments:

Dear Honorable Committee Members,

Please support HB116.

Thank you,

Andrea Quinn

LATE

HB-116-HD-2

Submitted on: 2/24/2021 4:23:01 PM
Testimony for FIN on 2/25/2021 11:00:00 AM

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

Comments:

Dear Chair Luke, Vice Chair Cullen, and Finance Committee members,

Our planet and humanity’s existence are now in grave danger due to ongoing climate change. Scientists tell us we must take immediate steps to stop global warming.

Use of energy efficiency products can make a significant difference. Hawaii recognizes that adopting policies that promote and encourage energy efficiency are important.

For this reason, I strongly support HB116 HD2. Thank you for the opportunity to testify.

Sincerely,

Jan Pappas

Aiea, Hawaii