

JAN 21 2022

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 clean energy and decarbonization goals. Energy used to
7 power buildings accounts for more than fifty per cent of the
8 electricity consumed in the State, yet the State has not
9 undertaken improvements for increased efficiency in many of its
10 own facilities, forgoing millions of dollars in potential
11 savings.

12 The legislature also finds that the coronavirus disease
13 2019 (COVID-19) pandemic has devastated Hawaii's economy. With
14 one of the State's primary areas of focus being economic
15 recovery and resilience in the wake of COVID-19, the legislature
16 recognizes the importance of elevating Hawaii's growing clean
17 energy industry, which can diversify the economy, create new



1 jobs, contribute to workforce development, and help the State
2 meet critical energy goals. Likewise, with the budget deficit
3 the State is currently facing, the legislature believes it is
4 imperative for all state agencies to control their energy usage
5 and lower their utility bills. Energy efficiency is the first
6 and foremost cost-effective step in smart energy management and
7 should be prioritized by every state agency. The State should
8 also seize this opportunity to create new jobs in the energy
9 sector at a time when they are sorely needed.

10 It is also important for the State to lead by example when
11 it comes to energy efficiency. One way to do this is to
12 construct energy efficient buildings, which could maximize the
13 savings of taxpayer dollars that would otherwise be spent on
14 utility bills.

15 Act 122, Session Laws of Hawaii 2019 (Act 122), states that
16 "efforts taken by universities, public schools, executive
17 departments, and other government entities have already begun to
18 save taxpayers money by reducing the government's electricity
19 costs. However, those efforts lack statewide coordination,
20 preventing economies of scale to maximize savings. While some
21 departments have made substantial progress, others have yet to



1 commence meaningful activities." Additionally, Act 122 further
2 states, regarding the Hawaii state energy office, that
3 "[t]asking a single agency to plan for energy savings measures
4 across all public facilities and assist government entities
5 already working to reduce energy costs is a necessary step to
6 maximize taxpayer savings" and "[t]he legislature's intent is to
7 establish in statute an energy agency . . . that will assist
8 both the public and private sectors in achieving the State's
9 energy goals." Consistent with this, the Hawaii state energy
10 office is working with state agencies to assess opportunities to
11 reach a target goal of a twenty-five per cent reduction by 2025,
12 from a 2005 baseline year, through the energy efficiency in
13 state building projects.

14 The purpose of this Act is to:

- 15 (1) Require state facilities, with the exception of
16 smaller facilities and facilities within the stadium
17 development district, to implement cost-effective
18 energy efficiency measures;
- 19 (2) Direct the Hawaii natural energy institute to collect
20 all state-owned facilities' utility bill and energy
21 usage data and make this data publicly available;



- 1 (3) Establish a goal for the State to achieve at least a
2 twenty-five per cent reduction in the electricity
3 consumption of state facilities;
- 4 (4) Provide that certain agencies that perform energy
5 efficiency retrofitting may continue to receive budget
6 appropriations for energy expenditures; and
- 7 (5) Beginning July 1, 2023, require, where feasible and
8 cost-effective, the design of all new state building
9 construction to maximize energy generation, water
10 efficiency, energy efficiency, and energy generation
11 potential, and to use building materials, such as
12 post-industrial carbon dioxide mineralized concrete
13 and clumping bamboo, that reduce the carbon footprint
14 of the project.

15 SECTION 2. Chapter 196, Hawaii Revised Statutes, is
16 amended by adding three new sections to part II to be
17 appropriately designated and to read as follows:

18 "§196- Energy efficiency implementation for state
19 facilities. (a) State facilities shall implement
20 cost-effective energy efficiency measures or enter into



performance contracts for the implementation of cost-effective energy efficiency measures as follows:

(1) Beginning on January 1, 2023, for all state facilities that have not implemented section 36-41 since 2010; and

(2) Beginning on January 1, 2025, for all other state facilities;

provided that the simple payback period shall not exceed the performance period of the contract; provided further that nothing in this subsection shall prohibit facilities from implementing energy efficiency measures sooner than indicated under paragraphs (1) or (2).

(b) State facilities having an area under ten thousand square feet and facilities within the stadium development district shall be exempt from the requirements of subsection (a).

(c) The department of accounting and general services may opt out of the requirements of this subsection if a facility is scheduled for demolition within five years.

(d) For purposes of this section:



1 "Cost-effective energy efficiency measure" means any energy
2 efficiency measure where the cost of the energy efficiency
3 measure shall be equal to or less than the estimated savings
4 over a period of twenty years or the life of the installed
5 components, whichever is less.

6 "Energy efficiency measure" means any energy services,
7 projects, and equipment, including but not limited to building
8 or facility energy conservation enhancing, demand management, or
9 demand response retrofits, which may include energy saved
10 offsite by water or other utility enhancing retrofits, to
11 improve the energy efficiency or reduce energy costs of the
12 facility.

13 "Facility" shall have the same meaning as that term is
14 defined in section 36-41(d).

15 §196- Utility bills and energy usage data; state-owned
16 facilities. The Hawaii natural energy institute shall collect
17 all utility bill and energy usage data for state-owned
18 facilities monthly and shall make this information available in
19 a publicly accessible format.

20 §196- Reduction of electricity consumption of state
21 facilities. It shall be the goal of the State to achieve at



1 least a twenty-five per cent reduction in electricity
2 consumption of state-owned facilities, using 2005 as the
3 baseline year."

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

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

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

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



1 shall be in compliance with the Hawaii state building codes,
2 except state building construction shall be allowed to be
3 exempted from:

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

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

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

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

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

18 (d) Beginning July 1, 2023, where feasible and
19 cost-effective, the design of all new state building
20 construction shall:

21 (1) Maximize energy and water efficiency measures;



1 (2) Maximize energy generation potential; and

2 (3) Use building materials, such as post-industrial carbon
3 dioxide mineralized concrete and clumping bamboo,
4 which reduce the carbon footprint of the project."

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

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

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

11
INTRODUCED BY:





S.B. NO. 2963

Report Title:

Energy Efficiency; State Facilities; Building Design; Energy Cost and Usage Report; Hawaii State Energy Office; Hawaii Natural Energy Institute

Description:

Requires and establishes deadlines for state facilities, except smaller facilities and facilities within the stadium development district, to implement cost-effective energy efficiency measures. Allows the Department of Accounting and General Services to opt out of the cost-effective energy efficiency measures if a facility will be demolished within five years. Directs the Hawaii Natural Energy Institute to collect utility bill and energy usage data for state-owned buildings and to make the data publicly available. Establishes a goal for the State to achieve at least a twenty-five per cent reduction in the electricity consumption of state facilities. Provides that certain agencies that perform energy efficiency retrofitting may continue to receive appropriations for energy expenditures. Beginning 7/1/2023, requires, where feasible and cost-effective, the design of all new state building construction to maximize energy and water efficiency, maximize energy generation potential, and use building materials that reduce the carbon footprint of the project.

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