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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, yet the State has  
9 not undertaken improvements for increased efficiency in many of  
10 its own facilities, forgoing millions of dollars in potential  
11 savings.

12       With one of the State's primary areas of focus being  
13 economic recovery and resilience in the wake of the coronavirus  
14 disease 2019, the legislature recognizes the importance of  
15 elevating Hawaii's growing clean energy industry, which can  
16 diversify the economy, create new jobs, contribute to workforce  
17 development, and help the State meet critical energy goals. The



1 legislature also finds that it is imperative for all state  
2 agencies to control their energy usage and lower their utility  
3 bills in the interest of being responsible with taxpayer  
4 dollars. Energy efficiency is the first and most cost-effective  
5 step in smart energy management and should be prioritized by  
6 every state agency.

7       Implementing energy efficiencies in state agencies allows  
8 the State to lead by example when it comes to energy efficiency  
9 initiatives and energy efficient design for new construction,  
10 which maximize the savings of taxpayer dollars that would  
11 otherwise be spent on utility bills.

12       Act 122, Session Laws of Hawaii 2019 (Act 122), states that  
13 "efforts taken by universities, public schools, executive  
14 departments, and other government entities have already begun to  
15 save taxpayers money by reducing the government's electricity  
16 costs." However, those efforts lack statewide coordination,  
17 preventing economies of scale to maximize savings. While some  
18 departments have made substantial progress, others have yet to  
19 commence meaningful activities. Additionally, Act 122 further  
20 states, regarding the Hawaii state energy office, that  
21 "[t]asking a single agency to plan for energy savings measures



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

11 The purpose of this Act is to:

- 12 (1) Require state facilities, with the exception of  
13 smaller facilities, to implement cost-effective energy  
14 efficiency measures;
- 15 (2) Direct the Hawaii state energy office to collect all  
16 state-owned facilities' utility bill and energy usage  
17 data and make this data publicly available;
- 18 (3) Provide that certain agencies that perform energy  
19 efficiency retrofitting may continue to receive a  
20 certain amount of budget appropriations for energy  
21 expenditures; and



(4) Beginning July 1, 2023, require, where feasible and cost-effective, the design of all new state building construction to maximize energy and water efficiency and energy generation potential and to use building materials that reduce the carbon footprint of the project.

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

**"§196- Energy efficiency implementation for state facilities.** (a) State facilities shall implement cost-effective energy efficiency measures as follows:

(1) Beginning on January 1, 2024, for all state facilities that have not implemented section 36-41 since 2010; and

(2) Beginning on January 1, 2026, for all other state facilities;  
provided that no entity shall claim tax credits or deductions, or depreciate assets under title 14 for implementing energy efficiency measures pursuant to this section; provided further that nothing in this subsection shall prohibit facilities from



1 implementing energy efficiency measures sooner than indicated  
2 under paragraph (1) or (2).

3 (b) State facilities with an area under ten thousand  
4 square feet shall be exempt from the requirements of subsection  
5 (a).

6 (c) For purposes of this section:

7 "Cost-effective energy efficiency measure" means any energy  
8 efficiency measure where the cost of the energy efficiency  
9 measure is equal to or less than the estimated savings over a  
10 period of twenty years or the life of the installed components,  
11 whichever is less.

12 "Energy efficiency measure" means any energy services,  
13 projects, and equipment, including but not limited to building  
14 or facility energy conservation enhancing, demand management, or  
15 demand response retrofits, which may include energy saved  
16 offsite by water or other utility enhancing retrofits, to  
17 improve the energy efficiency or reduce energy costs of the  
18 facility.

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, including for maintenance,  
14 contracts, or debt service, for the implementation and  
15 management of energy efficiency 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, 2023, where feasible and  
18 cost-effective, the design of all new state building  
19 construction 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. In codifying the new sections added by section  
7 2 of this Act, the revisor of statutes shall substitute  
8 appropriate section numbers for the letters used in designating  
9 the new sections in this Act.

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

12          SECTION 8. This Act shall take effect on July 1, 2050.





**Report Title:**

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

**Description:**

Requires and establishes deadlines for state facilities, except smaller facilities, to implement cost-effective energy efficiency measures. Directs the Hawaii State Energy Office to collect utility bill and energy usage data for state-owned buildings and to make the data publicly available. Provides that certain agencies that perform energy efficiency retrofitting may continue to receive appropriations for energy expenditures. Beginning 7/1/2023, where feasible and cost-effective, requires 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. Effective 7/1/2050. (HD1)

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