
A BILL FOR AN ACT

RELATING TO ENERGY EFFICIENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

PART I

SECTION 1. The legislature finds that energy efficiency is the most cost-effective way to reduce carbon emissions associated with electricity generation and consumption. The legislature further finds that maximizing efficiency and thereby reducing demand for power generation is a necessary component of reaching the State's clean energy and decarbonization goals. Energy used to power buildings accounts for more than fifty per cent of the electricity consumed in the State, yet the State has not undertaken improvements for increased efficiency in many of its own facilities, forgoing millions of dollars in potential savings.

The legislature also finds that the coronavirus disease 2019 (COVID-19) pandemic has devastated Hawaii's economy. With one of the State's primary areas of focus being economic recovery and resilience in the wake of COVID-19, the legislature recognizes the importance of elevating Hawaii's growing clean



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

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

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



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

15 The purpose of this Act is to:

16 (1) Require state facilities, with the exception of
17 smaller facilities and facilities within the stadium
18 development district, to implement cost-effective
19 energy efficiency measures;

20 (2) Direct the Hawaii state energy office, in consultation
21 with the research and economic analysis division of



1 the department of business, economic development, and
2 tourism, to collect all state-owned facilities'
3 electric utility and energy usage data and make this
4 data publicly available;

5 (3) Direct the Hawaii state energy office to collect all
6 state-owned facilities' water utility and water usage
7 data and make this data publicly available;

8 (4) Establish a goal for the State to achieve at least a
9 twenty-five per cent reduction in the electricity
10 consumption of state facilities;

11 (5) Provide that certain agencies that perform energy
12 efficiency retrofitting may continue to receive budget
13 appropriations for energy expenditures; and

14 (6) Beginning July 1, 2023, where feasible and cost-
15 effective, require the design of all new state
16 building construction to maximize energy generation,
17 water efficiency, energy efficiency, and energy
18 generation potential, and to use building materials,
19 such as post-industrial carbon dioxide mineralized
20 concrete and clumping bamboo, that reduce the carbon
21 footprint of the project.



PART II

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

"§196-A Energy efficiency implementation for state facilities. (a) State facilities shall implement 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, 2028, for all state facilities that have not implemented section 36-41 since 2010; and

(2) Beginning on January 1, 2030, 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



1 district shall be exempt from the requirements of subsection

2 (a).

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

6 (d) 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 shall be equal to or less than the estimated savings
10 over a period of twenty years or the life of the installed
11 components, 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 "Facility" shall have the same meaning as that term is
20 defined in section 36-41(d).



1 §196-B Electric utility and energy usage data; state-owned
2 facilities. The Hawaii state energy office, in consultation
3 with the research and economic analysis division of the
4 department of business, economic development, and tourism, shall
5 collect all electric utility and energy usage data for state-
6 owned facilities monthly and shall make this information
7 available in a publicly accessible format.

8 §196-C Water utility and water usage data; state-owned
9 facilities. The Hawaii state energy office shall collect all
10 water utility and water usage data for state-owned facilities
11 monthly and shall make this information available in a publicly
12 accessible format.

13 §196-D Reduction of electricity consumption of state
14 facilities. It shall be the goal of the State to achieve at
15 least a twenty-five per cent reduction in electricity
16 consumption of state-owned facilities, using 2005 as the
17 baseline year."

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

20 "(a) All agencies shall evaluate and identify for
21 implementation energy efficiency retrofitting through



1 performance contracting. Agencies that perform energy
2 efficiency retrofitting may continue to receive budget
3 appropriations for energy expenditures at an amount that ~~[shall~~
4 ~~not fall below the pre-retrofitting energy budget but shall rise~~
5 ~~in proportion to any increase in the agency's overall budget for~~
6 ~~the duration of the performance contract or project payment~~
7 ~~term.]~~ accounts for any costs, including maintenance, contracts,
8 or debt service, for the implementation and management of energy
9 efficiency measures."

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

12 "§107-27 Design of state buildings. (a) No later than
13 one year after the adoption of codes or standards pursuant to
14 section 107-24(c), the design of all state building construction
15 shall be in compliance with the Hawaii state building codes,
16 except state building construction shall be allowed to be
17 exempted from:

18 (1) County codes that have not adopted the Hawaii state
19 building codes;

20 (2) Any county code amendments that are inconsistent with
21 the minimum performance objectives of the Hawaii state



1 building codes or the objectives enumerated in this
2 part; or

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

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

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

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

- 14 (1) Maximize energy and water efficiency measures;
15 (2) Maximize energy generation potential; and
16 (3) Use building materials, such as post-industrial carbon
17 dioxide mineralized concrete and clumping bamboo,
18 which reduce the carbon footprint of the project."

19 PART III

20 SECTION 5. There is appropriated out of the general
21 revenues of the State of Hawaii the sum of \$ or so



1 much thereof as may be necessary for fiscal year 2022-2023 to
2 fund full-time equivalent (.0 FTE) positions at the
3 Hawaii state energy office to collect and make available all
4 water utility and water usage data for state-owned facilities
5 monthly pursuant to section 196-C, Hawaii Revised Statutes.

6 The sum appropriated shall be expended by the Hawaii state
7 energy office for the purposes of section 196-C, Hawaii Revised
8 Statutes.

9 PART IV

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

13 SECTION 7. In codifying the new sections added by section
14 2 and referenced by section 5 of this Act, the revisor of
15 statutes shall substitute appropriate section numbers for the
16 letters used in designating the new sections in this Act.

17 SECTION 8. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

19 SECTION 9. This Act shall take effect on July 1, 2050;
20 provided that part III shall take effect on July 1, 2022.



Report Title:

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

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 5 years. Directs the Hawaii State Energy Office, in consultation with the Research and Economic Analysis Division of the Department of Business, Economic Development, and Tourism, to collect electric utility and energy usage data for state-owned buildings and to make the data publicly available. Directs the Hawaii State Energy Office to collect water utility and water usage data for state-owned buildings and to make the data publicly available. Establishes a goal for the State to achieve at least a 25% 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, 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. Appropriates funds. Effective 7/1/2050. (SD2)

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