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OFFICE OF THE PUBLIC DEFENDER

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**WRITTEN ONLY**

TESTIMONY BY CRAIG K. HIRAI  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE SENATE COMMITTEES ON ENERGY, ECONOMIC DEVELOPMENT, AND  
TOURISM AND GOVERNMENT OPERATIONS  
ON  
SENATE BILL NO. 2590

**February 9, 2022  
3:00 p.m.  
Room 224 and Videoconference**

RELATING TO ENERGY EFFICIENCY

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill No. 2590 adds a new chapter to Title 13, HRS, that requires energy efficiency scores and grades for certain buildings; assigns powers and duties to the Department of Business, Economic Development and Tourism (DBEDT); requires DBEDT to submit a report on energy asset scores to the Governor and the Legislature; and appropriates an unspecified amount of general funds in FY 23 for the purposes of this measure. B&F defers to DBEDT and the Hawai'i State Energy Office on the potential impacts of this measure to their respective operations.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

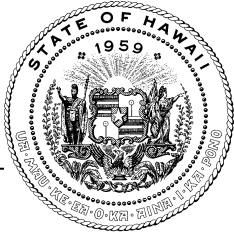
- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.



# 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  
**SENATE COMMITTEE ON  
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM  
AND  
COMMITTEE ON GOVERNMENT OPERATIONS**

Wednesday, February 9, 2022  
3:00 PM  
State Capitol, Conference Room 224 & Videoconference

**COMMENTS  
SB 2590  
RELATING TO ENERGY EFFICIENCY**

Chairs Wakai and Moriwaki, Vice Chairs Misalucha and Dela Cruz, and members of the Committees, the Hawai'i State Energy Office (HSEO) offers comments on SB 2590, which requires energy efficiency scores and grades for certain buildings, assigns powers and duties to the Department of Business, Economic Development and Tourism (DBEDT), requires the Department to submit to the Governor and Legislature a report on energy asset scores, establishes penalties, and appropriates moneys.

HSEO's testimony is guided by its mission to promote energy efficiency, renewable energy, and clean transportation to help achieve a resilient, clean energy, decarbonized economy.

HSEO appreciates the intent of SB 2590 in requiring buildings to obtain and display energy efficiency scores and grades to incentivize reduced energy demand. HSEO notes these requirements would be in addition to several other initiatives currently underway, including benchmarking, energy audits conducted as part of performance contracting, the use of the ENERGY STAR Portfolio manager tool that scores and recognizes buildings for their EE, and other measures supporting the

existing and growing efforts to track and assess the energy efficiency of buildings in Hawai'i.

The requirements of the new program would be in addition to several other Hawai'i State Energy Office measures currently underway in cooperation with other state agencies, including benchmarking, energy audits conducted as part of performance contracting, the use of the ENERGY STAR Portfolio manager tool, and other measures supporting the existing and growing efforts to track and assess the energy efficiency of buildings in Hawai'i. The new program may, without additional program implementation funding, divert limited state resources from other existing related activities including building industry awareness and training efforts and the development and implementation of energy-efficient building codes and appliance standards focused on selecting and using improved materials and methods when buildings are designed and constructed.

Without significant additional resources, it would also be difficult to do a satisfactory job enforcing the program requirements. HSEO notes that many details of the program envisioned by SB2590 have yet to be determined along with rules for its implementation. The additional manpower and funding for DBEDT to establish the program, rules, scores and grades, and to enforce and exact fines on building owners that do not comply, are unknown. HSEO also notes that DBEDT is generally not an enforcement agency.

Thank you for the opportunity to testify.

**SB-2590**

Submitted on: 2/6/2022 3:32:02 PM

Testimony for EET on 2/9/2022 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Gerard Silva	Individual	Oppose	No

Comments:

Not Fair for the people of Hawaii.