



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

Wednesday, April 6, 2022
1:30 PM
State Capitol, Conference Room 308 & Videoconference

**SUPPORT
SB 2963, SD2, HD1
RELATING TO ENERGY EFFICIENCY.**

Chair Luke, Vice Chair Yamashita, and Members of the Committee, the Hawai'i State Energy Office (HSEO) supports SB 2963, SD2, HD1, which requires and establishes deadlines for all state facilities, except smaller facilities, to implement cost-effective energy efficiency measures; directs HSEO to collect utility bill and energy usage data for state-owned buildings and to make the data publicly available; provides that agencies that perform energy efficiency retrofitting may continue to receive appropriations for such measures; and 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.

HSEO supports SB 2963, SD2, HD1, to maximize the near-term savings and long-term energy performance of state buildings. The objectives of energy efficiency, cost control, lower energy bills, and leading by example outlined in SB 2963, SD2, HD1, are consistent with HSEO's mission in accordance with Section 196-71(a), Hawai'i Revised Statutes. It is also consistent with the Chief Energy Officer's duties, set forth in Section [196-72](#) of the Hawai'i Revised Statutes, to "provide technical assistance to state and county agencies to assess and implement projects and programs related to energy

conservation and efficiency, renewable energy, clean transportation, energy resiliency, and related measures.”

HSEO agrees that energy efficiency is the most cost-effective way to reduce energy usage. HSEO works with state agencies on facility benchmarking, energy audits, and energy savings performance contracts. HSEO has observed there are always more, and sometimes new, energy savings and bill reduction opportunities.

HSEO also agrees that designing new state buildings to maximize energy and water efficiency, identifying energy generation potential, and using building materials that reduce the carbon footprint, where feasible and cost-effective, are in alignment with the State's clean energy and decarbonization goals.

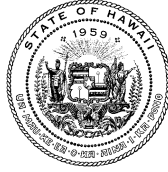
HSEO is working closely with Hawai'i Energy and state agencies on an energy efficiency for state buildings project to assess and promote opportunities to reduce energy use. HSEO has consistently been measuring facility electricity reduction using 2005 as the baseline year. The use of 2005 as the baseline year is consistent with the United States' baseline year in its commitment pursuant to the Paris Agreement, which Hawai'i committed to support and to “be aligned with” in Part I of [Act 32 of 2017](#). HSEO's analysis shows since 2005, state agencies' total electricity consumption has declined by 20 percent. HSEO believes with Legislative and Administrative support, that amount can increase to 25 percent by 2025.

To effectively and efficiently achieve Hawai'i's renewable energy and decarbonization goals, high quality, reliable energy data is necessary for the transformation of Hawaii's energy system and to support economic development and innovation. Act 122, SLH 2019, recognized this by tasking HSEO with leading data governance for energy. HSEO is responsible to identify, track, and report key performance measures and milestones related to the State's energy and decarbonization goals. While the Senate Committee on Ways and Means is currently considering HB 1600, HD1 for decision making, the House Committee on Finance provided in HB 1600, HD1 general funds for a cloud-hosted data lake at HSEO to serve as a single source repository for energy- related data, and other data that have been identified as necessary to fuel a data-driven approach to analyzing, formulating, and

recommending policies and plans to achieve the State's energy goals. One of the driving outcomes of the project is to increase data sharing and information dissemination. HB 1600, HD1 also provides a position and funds for a Data Science Specialist. The position will support operating a data governance framework for data policies, standards, and practices to achieve the required level of consistency, quality, and protection to meet specific office needs. The position will interface with state departments, county agencies, industry, public, and other stakeholder groups in an effort to design, develop, and implement this framework. Sharing monthly utility bill and energy usage data for state-owned facilities through a portal such as the data lake supported by the Data Science Specialist would greatly increase the accessibility and reproducibility of datasets and allow for streamlined data updates should that budget become adopted into law.

Thank you for the opportunity to testify.

DAVID Y. IGE
GOVERNOR



CURT T. OTAGURO
COMPTROLLER
AUDREY HIDANO
DEPUTY COMPTROLLER

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY
OF
CURT T. OTAGURO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE

COMMITTEE ON FINANCE

APRIL 4, 2022, 1:30 P.M.
VIA VIDEOCONFERENCE/CONFERENCE ROOM 308, STATE CAPITOL

S.B. 2963, S.D. 2, H.D. 1

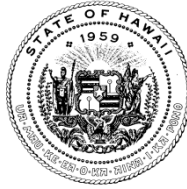
RELATING TO ENERGY EFFICIENCY.

Chair Luke, Vice Chair Yamashita, and Members of the Committee, thank you for the opportunity to testify on S.B. 2963, S.D. 2., H.D. 1.

The Department of Accounting and General Services (DAGS) supports the intent of this measure which requires and establishes deadlines for State facilities, except smaller facilities and facilities within the stadium development district, to implement cost-effective energy efficiency measures.

Thank you for the opportunity to testify on this matter.

DAVID Y. IGE
GOVERNOR



TESTIMONY BY:

JADE T. BUTAY
DIRECTOR

Deputy Directors
ROSS M. HIGASH
EDUARDO P. MANGLALLAN
PATRICK H. MCCAIN
EDWIN H. SNIFFEN

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

April 6, 2022
1:30 PM
State Capitol, Teleconference

S.B. 2963 S.D.2 H.D.1
RELATING TO ENERGY EFFICIENCY

House Committee on Finance

The Department of Transportation (DOT) **provides comments** to S.B. 2963 S.D.2. H.D.1 The bill proposes state facilities to implement cost-effective energy efficiency measures. The bill also requires, where feasible and cost-effective, the design of all new state building construction to maximize energy generation, water efficiency, energy efficiency, and energy generation potential, and to use building materials that reduce the carbon footprint of the project.

DOT modal divisions have installed a variety of energy conservation measures using Energy Savings Performance Contracts (ESPC). The DOT Airports Division \$209M ESPC has reduced its kWh consumption by approximately 51 percent from a 2013 baseline. The electrical cost savings over a 20-year period is approximately \$529M. The DOT Harbors Division's ESPC has reduced its kWh consumption by approximately 30 percent from a 2014 baseline. The DOT Harbors Division has installed approximately 740 kW of solar photovoltaic arrays at six facilities that produce 100% renewable power. Power generated by the solar photovoltaics is used within the Harbor facilities and the Harbors Division is currently working with the power utility to reach the Division's clean energy goals. The DOT Highways Division ESPC has reduced its kWh consumption by approximately 41 percent from a 2014 baseline. Through its electrification contract, Highways continues to add PV to field offices to ensure energy consumption is minimized with its EV conversion policy. Highways is working with USDOT, USDOE, Hawaii State Energy Office, counties, and electric utilities to maximize IJA funding and install charging stations on the federal highway network statewide. The state plan, required by IJA for use of formula and discretionary funding, is being expedited to FHWA for review and approval.

Act 96, SLH 2006, already requires each agency, to the extent practicable, to design and construct state facilities meeting the Leadership in Energy and Environmental Design (LEED) Silver Certification or two green globes rating system or another comparable state-approved, nationally recognized standard or system.

The DOT Airports Division's new facilities have achieved or are on track to achieve LEED Silver Certification. In addition, the Daniel K. Inouye International Airport (HNL) has received its 5th Airport Carbon Accreditation Level 2 certification from the Airports Council International, for the calendar year 2019, recognizing HNL's reduction in energy use and carbon emission, and its ongoing commitment to sustainability. Renewal in the calendar year 2020 was deferred due to the pandemic.

The DOT Harbors Division has put together a process of pursuing sustainability vision for multiple buildings through LEED BD+C Certification. DOT Harbors Division will be able to transform the existing buildings into facilities that provide healthier spaces for its occupants, reduced demand on energy and water resources, and improved impact on the surrounding community. A preliminary review of the LEED BD+C credit scorecard for a building facility currently in the planning and scoping phase indicates that LEED Silver certification is attainable, and with additional planning and resources, LEED Gold certification is within reach.

Thank you for the opportunity to provide testimony.



Email: communications@ulupono.com

HOUSE COMMITTEE ON FINANCE
Wednesday, April 6, 2022 — 1:30 p.m.

Ulupono Initiative supports SB 2963 SD 2 HD 1, Relating to Energy Efficiency.

Dear Chair Luke and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food; renewable energy and clean transportation; and better management of freshwater and waste.

Ulupono supports SB 2963 SD 2 HD 1, which requires and establishes deadlines for state facilities, except smaller facilities, to implement cost-effective energy efficiency measures; directs the Hawai'i 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; and, 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.

Ulupono supports energy efficiency measures to lower consumption across the State. As Hawai'i's energy issues become increasingly complex and challenging, we appreciate this committee's efforts to look at policies that reduce the State's overall energy demand, which in return should save the State, and taxpayers, money.

Meeting the State's 100% renewable goal by 2045 will require everyone's commitment and it is important for the State government to lead the way.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

Investing in a Sustainable Hawai'i



Before the House Committee on Finance
Wednesday, April 6, 2022 at 1:30 p.m.

Testimony in Support of SB2963 SD2 HD1: Relating to Energy Efficiency

Chair Luke, Vice Chair Yamashita, and Members of the Committee:

Thank you for the opportunity to testify in support and provide comments on Senate Bill 2963 SD2 HD1.

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. Energy efficiency is the cheapest option to help us achieve our 100% clean energy goal by eliminating waste and being more efficient.

Hawai'i Energy applauds the legislature's efforts to support energy efficiency for State facilities. As reported in the Hawai'i State Energy Office's [2021 Annual Report \(pg. 30\)](#), government agencies saw a 20.1% reduction in electricity usage for State buildings over a 2005 baseline. Plus, the State has benefitted from a successful Energy Savings Performance Contract (ESPC) program that drove a significant level of energy savings projects between 2009 and 2015.

However, ESPC procurements have significantly dropped since 2015, due to a number of potential factors, including previously completed projects and other non-energy priorities among others. With advances in technologies that increase efficiency coupled with the number of buildings that are still largely inefficient, opportunity remains for further improvement. ESPCs have demonstrated the ability to help the State save money without any capital budget allocation, which is now more important than ever.

This bill requires the State agencies to implement cost-effective energy efficiency measures, meaning that the savings will be greater than the cost of upgrade. Given Hawai'i has the highest energy rates in the country, energy efficiency can deliver significant cost savings which need to be harvested during these challenging budgetary times. Upgrades that cannot pay for themselves do not need to be implemented, ensuring fiscal responsibility.

Tackling energy use at state facilities will take time, manpower, and, in some instances, funding. State agencies have the flexibility to implement energy efficiency measures through ESPC, but it could also be funded through the Green Energy Market Securitization (GEMS) so that no upfront capital is required. The legislation does not limit state agencies from also funding the upgrades through capital improvement budgets if that is preferred. With increased federal funding for energy efficiency and green banks, there isn't a better time for the State to move forward.

We appreciate the efforts made by the State Legislature, the Hawai'i State Energy Office and other State agencies, and various stakeholders to improve on the 2021 version. Thank you for the opportunity to testify in support of Senate Bill 2963 SD2 HD1.

Sincerely,
Brian Kealoha
Executive Director
Hawai'i Energy

SB-2963-HD-1

Submitted on: 4/5/2022 9:49:41 AM

Testimony for FIN on 4/6/2022 1:30:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|--------------|-------------------------------|--------------------|----------------------|
| Ted Bohlen | Climate Protectors Hawai'i | Support | Remotely Via Zoom |

Comments:

To: The Honorable Sylvia Luke, Chair, The Honorable Kyle Yamashita, Vice Chair, and Members of the House Committee on Finance

From: Climate Protectors Hawai'i (by Ted Bohlen)

Re: Hearing **SB2963 SD2 HD1 RELATING TO ENERGY EFFICIENCY.**

Hearing: Wednesday, April 6, 2022, 1:30 p.m., CR 308 and by videoconference

Aloha Chair Luke, Vice Chair Yamashita, and Members of the House Committee on Finance:

The Climate Protectors Hawai'i is a group focused on reversing the climate crisis and encouraging Hawai'i to lead the world towards a safe and sustainable climate and future. The Climate Protectors Hawai'i **STRONGLY SUPPORTS SB2963 SD2 HD1, but urges an amendment to restore the goal of a 25% reduction in electricity usage as in SD2!**

This is an important energy efficiency measure that will reduce the taxpayer burden of state energy bills, create new jobs in clean energy, and decrease our Greenhouse gas emissions.

As a tropical island State, Hawai'i will be among the first places harmed by the global climate crisis, with more intense storms, floods, droughts and fires, food insecurity, loss of protective coral reefs, and rising sea levels destroying our shorelines. We must do all we can to reduce our carbon footprint and become carbon negative as soon as possible. Hawaii can and should be a leader in showing the world the way forward towards a safe and sustainable climate and future. The sooner we inspire others to take action and lead by example, the better off the future will be for our keiki.

This bill captures one of the areas where the State can lead in reducing greenhouse gas emissions, by implementing cost-effective energy efficiency measures or entering into performance contracts for implementing cost-effective energy efficiency measures at State-owned facilities.

This good bill should be amended, however, to reestablish a goal of reducing electricity consumption at State-owned facilities by at least 25%, using 2005 as the baseline year. This

goal would send an important message to State agencies and the public in Hawaii and elsewhere of Hawaii's leadership in prioritizing energy efficiency.

Another important way this bill would reduce greenhouse gas emissions is by requiring State building design, where reasonable and cost effective, to maximize energy and water efficiency, maximize energy generation potential, and use building materials that reduce the carbon footprint of the project. This plan will help substantially in reducing greenhouse gases and addressing our existential climate crisis.

Hawai'i must lead on mitigating the climate crisis! **Implementing cost-effective energy efficiency measures to reduce electricity consumption and using lower carbon materials to reduce the carbon footprint of State-owned facilities are excellent ways for Hawai'i to show how to begin to mitigate the climate emergency!**

Please pass this bill! Mahalo!

Climate Protectors Hawai'i (by Ted Bohlen)



To: The House Committee on Finance
From: Sherry Pollack, 350Hawaii.org
Date: Wednesday, April 6, 2022, 1:30pm

In support of SB2963 SD2 HD1 with amendments

Aloha Chair Luke, Vice Chair Yamashita, and members of the Finance committee,

I am Co-Founder of the Hawaii chapter of 350.org, the largest international organization dedicated to fighting climate change. 350Hawaii.org **supports SB2963 SD2 HD1** that would reduce the taxpayer burden of state energy bills and decrease our carbon emissions, and we respectfully offer amendments.

One of the areas where the State can **lead in reducing greenhouse gas emissions** while at the same time **maximizing savings of taxpayer dollars**, is by installing energy efficient equipment and taking energy efficiency measures at State facilities. To better ensure that this measure can fulfill its purpose, **we respectfully offer amendments for your consideration.**

- 1) Restore the implementation dates from the original version of the bill, i.e. requiring state facilities that have not recently implemented cost-effective efficiency measures to do so by 2023 and all others by 2025, rather than delaying implementation to 2028 and 2030, as proposed in the SD1 version.
- 2) Restore the goal for reduction of electricity consumption of state facilities, but increase it from 25% to 35%. This is still reasonable and attainable. The recent IPCC report has made clear we need to be much more ambitious and robust in our actions to decarbonize our economies if we are to have a bright future on our planet. Bottomline: We must step up our efforts. We can do better. Bottomline: **We need to set and establish a goal to ensure efforts are made to achieve that goal.**

If we are to solve the climate crisis, it will require **all of us** working together. The State can and should be a leader towards a safe and sustainable climate and future. Reducing our greenhouse gas emissions through energy efficiency is an effective means to put us on track to achieve this goal.

Mahalo for the opportunity to testify in **support** of this important legislation.

Sherry Pollack
Co-Founder, 350Hawaii.org

SB-2963-HD-1

Submitted on: 4/4/2022 12:41:00 PM

Testimony for FIN on 4/6/2022 1:30:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Douglas Perrine | Individual | Support | Written Testimony Only |

Comments:

This bill will save money and protect the environment. What's not to like?