JOSH GREEN, M.D. GOVERNOR KE KIA'ĂINA



GOV. MSG. NO. 1375

EXECUTIVE CHAMBERS KE KE'ENA O KE KIA'ĀINA

July 2, 2025

The Honorable Ronald D. Kouchi President of the Senate, and Members of the Senate Thirty-Third State Legislature State Capitol, Room 409 Honolulu, Hawai'i 96813 The Honorable Nadine Nakamura Speaker, and Members of the House of Representatives Thirty-Third State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Aloha President Kouchi, Speaker Nakamura, and Members of the Legislature:

This is to inform you that on July 2, 2025, the following bill was signed into law:

H.B. NO. 1051, H.D. 1, S.D. 1, C.D. 1 RELATING TO ENERGY-EFFICIENCY PORTFOLIO STANDARDS. ACT 272

Mahalo,

Yreen M.D.

Josh Green, M.D. Governor, State of Hawaiʻi

Approved by the Governor

JUL 2 2025

HOUSE OF REPRESENTATIVES THIRTY-THIRD LEGISLATURE, 2025 STATE OF HAWAII

ACT 272 H.B. NO S.D. 1 C.D. 1

A BILL FOR AN ACT

RELATING TO ENERGY-EFFICIENCY PORTFOLIO STANDARDS.

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

1 SECTION 1. The legislature finds that, as Hawaii 2 progresses toward achieving its renewable energy and 3 decarbonization goals, energy efficiency remains the most 4 cost-effective way to reduce emissions associated with 5 electricity generation and consumption, while providing financial benefits for customers. The legislature also finds 6 7 that in 2008, the State, in partnership with the United States Department of Energy, established the Hawaii clean energy 8 9 initiative, which included goals for energy efficiency. 10 Subsequently, Act 155, Session Laws of Hawaii 2009, codified 11 these energy efficiency goals by establishing an energy-efficiency portfolio standard under section 269-96, 12 13 Hawaii Revised Statutes, which sets the statewide energy efficiency goal for 2030 at four thousand three hundred gigawatt 14 hours and directs the public utilities commission to establish 15 16 interim goals for 2015, 2020, and 2025. Now, over fifteen years 17 later, the legislature further finds that it is appropriate to

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expand these goals and require the public utilities commission
 to establish interim goals to ensure that the commission can
 continue its work developing and overseeing the State's
 energy-efficiency portfolio standards beyond 2030.

5 The purpose of this Act is to extend and further develop
6 the energy-efficiency portfolio standards established and
7 overseen by the public utilities commission.

8 SECTION 2. Section 196-62.5, Hawaii Revised Statutes, is
9 amended by amending subsection (b) to read as follows:

10 "(b) As may be applicable, an agency shall consult with 11 the public benefits fee administrator of the commission [prior 12 to] before planning an energy-efficiency measure subject to this section. The agency's proposed energy-efficiency measures shall 13 14 meet or exceed the public benefits fee administrator's enhanced 15 efficiency levels and requirements to be eligible for the Hawaii 16 green infrastructure loan program. The agency shall coordinate 17 with the public benefits fee administrator throughout the entire project cycle to ensure that energy efficiency is maximized. 18 All supporting documentation required by the public benefits fee 19 administrator shall be provided by the agency to ensure 20



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1 compliance with the State's energy-efficiency portfolio 2 [standard] standards under section 269-96." 3 SECTION 3. Section 269-96, Hawaii Revised Statutes, is 4 amended by amending subsections (b) through (e) to read as 5 follows: 6 "(b) The energy-efficiency portfolio standards shall be designed to achieve four thousand three hundred gigawatt hours 7 8 of electricity use reductions statewide by 2030[+] and six 9 thousand gigawatt hours of electricity use reductions statewide 10 by 2045; provided that the public utilities commission shall establish interim goals for electricity use reduction to be 11 12 achieved by 2015, 2020, [and] 2025, 2035, and 2040, and may also 13 adjust the 2030 [standard] and 2045 standards and any interim 14 standards by rule or order to maximize cost-effective 15 energy-efficiency programs and technologies [-]; provided further 16 that the interim goals established by the public utilities 17 commission shall show clear progress toward meeting the State's 2030 and 2045 energy-efficiency portfolio standards. 18 19 The public utilities commission may establish, by rule (c) 20 or order, incentives and penalties based on performance in

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1 achieving the energy-efficiency portfolio standards [by-rule or 2 order].

3 (d) The public utilities commission shall evaluate the 4 energy-efficiency portfolio [standard] standards every five years, beginning in 2013, [and may revise the standard, based on 5 6 the best information available at the time, [to determine if the 7 energy-efficiency portfolio [standard] standards established by this section [remains] remain effective and achievable[-,] and 8 9 may revise the standards, based on the best information 10 available at the time. The public utilities commission shall report its findings and revisions to the energy-efficiency 11 12 portfolio [standard,] standards, based on its own studies and other information, to the legislature no later than twenty days 13 before the convening of the regular session of 2014, and every 14 15 five years thereafter.

16 (e) Beginning in 2015, electric energy savings brought 17 about by the use of renewable displacement or off-set 18 technologies, including solar water heating and sea-water 19 air-conditioning district cooling systems, shall count toward 20 [this standard.] these standards."

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SECTION 4. Statutory material to be repealed is bracketed
 and stricken. New statutory material is underscored.

3 SECTION 5. This Act shall take effect upon its approval.



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APPROVED this 2nd day of July , 2025

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GOVERNOR OF THE STATE OF HAWAII

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: April 30, 2025 Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-Third Legislature of the State of Hawaii, Regular Session of 2025.

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Nadine K. Nakamura Speaker House of Representatives

thil. Ille

Brian L. Takeshita Chief Clerk House of Representatives

THE SENATE OF THE STATE OF HAWAI'I

Date: April 30, 2025 Honolulu, Hawai'i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate

of the Thirty-Third Legislature of the State of Hawai'i, Regular Session of 2025.

President of the Senate

audrin Clerk of the Senate