

A Bill for an Act Relating to Energy Efficiency.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds that the high cost of living in Hawaii adds to the importance of adopting policies that promote and encourage energy efficiency, which can provide relief for families and businesses faced with high utility bills. Without state appliance efficiency standards to provide consumer protection, appliance manufacturers may unload less efficient appliances in Hawaii that they cannot sell in other states with heightened standards and as a result, Hawaii residents risk losing as much as \$1,000,000,000 in unnecessary energy waste due to inefficient appliances. Multiple states, including California, Colorado, Connecticut, Oregon, Rhode Island, Vermont, and Washington, have adopted state appliance efficiency standards.

The legislature further finds that new appliance efficiency standards have the potential to save Hawaii families and businesses billions of dollars while conserving energy and water resources. According to a 2017 national study from the American Council for an Energy-Efficient Economy, Hawaii has the best opportunity in the nation to save money through the implementation of appliance efficiency standards. The study found that by adopting appliance efficiency standards, Hawaii could save up to \$1,000,000,000 in electricity costs over twenty years, which is the equivalent of about \$215 annually for each Hawaii household. Although many appliances, such as refrigerators, dishwashers, and commercial air conditioners, are regulated by national appliance efficiency standards, the study found that states can save billions of dollars by adopting state-level appliance efficiency standards for appliances that are not regulated by national standards.

The legislature further finds that by adopting state appliance efficiency standards, the State, among other positive results, can:

- (1) Provide a boost to the local economy, which occurs when consumers and businesses spend their economic savings on other goods and services;
- (2) Protect consumers against manufacturers who would otherwise unload less efficient appliances that they cannot sell in states with heightened standards;
- (3) Ensure that Hawaii residents do not miss out on potential savings while progress on standards at the national level is uncertain;
- (4) Improve electric system reliability and potentially reduce the need for new energy and water infrastructures based on the resulting energy and water savings;
- (5) Lower electricity bills for residents and businesses; and
- (6) Reduce air pollutants and greenhouse gas emissions, which can result in public health benefits and help the State meet its clean energy and climate change mitigation targets.

Furthermore, the legislature finds that the cost of most appliances specifically listed in this Act are equal to the cost of non-compliant appliances, or available at a minimal cost premium.

The legislature recognizes the state of California as a leader in establishing state-level appliance efficiency standards that protect consumers and finds that the California appliance efficiency standards should be used as a model for Hawaii's standards. For non-federally regulated appliances without state-level appliance efficiency standards in California, Hawaii should look to other exist-

ing standards of efficiency specifications, such as the ENERGY STAR or the U.S. Environmental Protection Agency's WaterSense program standards.

The purpose of this Act is to establish minimum appliance efficiency standards for certain products sold or installed in the State.

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

“PART . APPLIANCE EFFICIENCY STANDARDS

§196-A Definitions. As used in this part:

“Compensation” means money or any other valuable thing, regardless of form, received or to be received by a person for services rendered.

“Computer” has the same meaning as in California Code of Regulations, Title 20, Section 1602(v), as amended.

“Computer monitor” has the same meaning as in California Code of Regulations, Title 20, Section 1602(v), as amended.

“Department” means the department of business, economic development, and tourism.

“Director” means the director of business, economic development, and tourism.

“Faucet” means a lavatory faucet, kitchen faucet, metering faucet, or replacement aerator for a lavatory or kitchen faucet.

“High color rendering index fluorescent lamp” means a fluorescent lamp with a color rendering index of eighty-seven or greater that is not a compact fluorescent lamp.

“Showerhead” means a device through which water is discharged for a shower bath. Showerhead includes any showerhead, including a handheld showerhead, except a safety showerhead.

“Spray sprinkler body” means the exterior case or shell of a sprinkler incorporating a means of connection to the piping system designed to convey water to a nozzle or orifice.

§196-B Purpose. The purpose of this part is to establish minimum appliance efficiency standards for certain products sold or installed in the State.

§196-C Rules. The director may adopt rules pursuant to chapter 91 to enforce minimum efficiency standards for the types of new products set forth in section 196-D.

§196-D Scope. (a) Appliance efficiency standards are established under this part for the following appliances, if standards for these appliances are not preempted by federal law:

- (1) Computers and computer monitors;
- (2) Faucets;
- (3) High color rendering index fluorescent lamps;
- (4) Showerheads; and
- (5) Spray sprinkler bodies.

(b) This section shall apply to the sale and offering for sale, lease, or rent of appliances under subsection (a) in the State.

(c) This section shall not apply to:

- (1) New products manufactured in the State and sold outside the State;
- (2) New products manufactured outside the State and sold at wholesale inside the State for final retail sale and installation outside the State;

- (3) Products installed in mobile manufactured homes at the time of construction; or
- (4) Products designed expressly for installation and use in recreational vehicles.

If any standard established under this part is subsequently preempted by federal law, all other state appliance efficiency standards not preempted shall remain in effect.

§196-E Appliance efficiency standards. (a) The following minimum efficiency standards shall apply to products listed or incorporated in section 196-D:

- (1) Computers and computer monitors shall meet the requirements set forth in California Code of Regulations, Title 20, Section 1605.3, as amended;
- (2) Faucets shall meet the minimum efficiency standards set forth in California Code of Regulations, Title 20, Section 1605.1, as amended;
- (3) High color rendering index fluorescent lamps shall meet the minimum efficacy requirements contained in Section 430.32(n)(4) of Title 10 of the Code of Federal Regulations as in effect on January 3, 2017, as measured in accordance with Appendix R to Subpart B of Part 430 of Title 10 of the Code of Federal Regulations—“Uniform Test Method for Measuring Average Lamp Efficacy (LE), Color Rendering Index (CRI), and Correlated Color Temperature (CCT) of Electric Lamps”—as amended;
- (4) Showerheads shall meet the minimum efficiency standards set forth in California Code of Regulations, Title 20, Section 1605.1, as amended; and
- (5) Spray sprinkler bodies that are not specifically excluded from the scope of the Environmental Protection Agency’s WaterSense Specification for Spray Sprinkler Bodies, Version 1.0, shall include an integral pressure regulator and shall meet the water efficiency and performance criteria and other requirements of that specification, as amended.

(b) When adopting standards for appliances pursuant to section 196-D(a), the director shall set appliance efficiency standards upon a determination that increased efficiency standards would serve to promote energy or water conservation in the State and would be cost effective for consumers who purchase and use such new products.

§196-F Implementation. (a) On or after January 1, 2021, no new computer or computer monitor, faucet, high color rendering index fluorescent lamp, showerhead, or spray sprinkler body may be sold or offered for sale, lease, or rent in the State unless the efficiency of the new product meets or exceeds the efficiency standards provided in section 196-E.

(b) One year after the date upon which the sale or offering for sale of certain products becomes subject to the requirements of subsection (a), no such products may be installed for compensation in the state unless the efficiency of the new product meets or exceeds the efficiency standards provided in section 196-E.

§196-G Protection against repeal of federal standards. (a) If any of the energy or water conservation standards issued or approved for publication by the Office of the United States Secretary of Energy as of January 19, 2017, pursuant to the Energy Policy and Conservation Act (Parts 430-431 of Title 10 of

the Code of Federal Regulations), are withdrawn, repealed, or otherwise voided, the minimum energy or water efficiency level permitted for products previously subject to federal energy or water conservation standards shall be the previously applicable federal standards, and no such new product may be sold or offered for sale, lease, or rent in the State unless it meets or exceeds such standards.

(b) This section shall not apply to any federal energy or water conservation standard set aside by a court upon the petition of a person who will be adversely affected, as provided in Section 6306(b) of Title 42 of the United States Code.

§196-H Testing, certification, and labeling. Manufacturers shall test, certify, and label products meeting the standards set forth in section 196-E and may utilize testing, certification, and labeling programs of other states and federal agencies with similar standards for purposes of compliance under this part. Products listed in California’s Modernized Appliance Efficiency Database System shall be deemed to be in compliance with this part.”

SECTION 3. Section 269-123, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) The public benefits fee administrator’s duties and responsibilities shall be established by the public utilities commission by rule or order, and may include:

- (1) Identifying, developing, administering, promoting, implementing, and evaluating programs, methods, and technologies that support energy-efficiency and demand-side management programs;
- (2) Encouraging the continuance or improvement of efficiencies made in the production, delivery, and use of energy-efficiency and demand-side management programs and services;
- (3) Using the energy-efficiency expertise and capabilities that have developed or may develop in the State and consulting with state agency experts;
- (4) Promoting program initiatives, incentives, and market strategies that address the needs of persons facing the most significant barriers to participation;
- (5) Promoting coordinated program delivery, including coordination with electric public utilities regarding the delivery of low-income home energy assistance, other demand-side management or energy-efficiency programs, and any utility programs;
- (6) Consideration of innovative approaches to delivering demand-side management and energy-efficiency services, including strategies to encourage third-party financing and customer contributions to the cost of demand-side management and energy-efficiency services; ~~[and]~~
- (7) Submitting, to the public utilities commission for review and approval, a multi-year budget and planning cycle that promotes program improvement, program stability, and maturation of programs and delivery resources~~[-]; and~~
- (8) Educating and training appliance manufacturers, distributors, and retailers of appliances covered under part of chapter 196 about the appliance efficiency standards established under that part to improve compliance.”

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SECTION 4. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 5. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the invalidity does not affect other provisions or applications of the Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION 6. In codifying the new sections added by section 2 of this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in designating the new sections in this Act.

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

SECTION 8. This Act shall take effect upon its approval.

(Approved June 26, 2019.)