

SB 555



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

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Statement of
THEODORE E. LIU
Director
Department of Business, Economic Development, and Tourism
before the
**SENATE COMMITTEE ON
ENERGY AND ENVIRONMENT**
Tuesday, February 17, 2009
2:45 p.m.
State Capitol, Conference Room 325

in consideration of

**SB555
RELATING TO ENERGY EFFICIENCY.**

Chair Gabbard, Vice Chair English, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) does not support SB555 which requires that by January 1, 2010, the director of DBEDT shall adopt rules consistent with the California Energy Commission's regulations for the energy efficiency of new appliances for sale in Hawaii. A year thereafter, all subject appliances sold in Hawaii shall meet such standards.

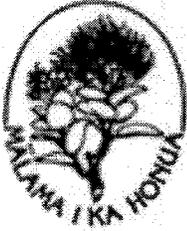
California divides its appliance efficiency laws into three sections: A) those appliances regulated by federal law which California is not contesting; B) appliances regulated by federal law from which California is requesting a waiver in order to set more stringent standards and; C) appliances not regulated by federal law for which California has set standards. Our testimony will address categories (B) and (C).

California Code of Regulations, Title 20, Division 2, Chapter 4, Article 4, Section 1605.3, "State Standards for Non-Federally-Regulated Appliances," sets standards for items such as certain refrigerators, freezers, heat pumps, general service lamps and spa heaters for which the federal government has not set standards. States such as New York, New Jersey, Oregon and Washington formed the "Multi-States Compliance Standards Collaborative" for the purpose of adopting similar standards, generally based on California standards. Another organization, "The Appliance Standards Awareness Project," tracks federal revisions to appliance efficiency standards and state actions and disseminates the information, enabling member states to keep abreast of the latest developments.

Regarding seeking waivers, California Section 1605.2 of the above-cited Regulation, "State Standards for Federally-Regulated Appliances," involves California applying for waivers from the U.S. Department of Energy to allow enactment of more stringent standards for certain appliances.

Hawaii could obtain standard-setting information and model rules from these organizations. The entire process, however, including conducting public hearings, would require resources currently not available within DBEDT. In addition, petitioning has proven long and time-consuming for California. DBEDT does not have the resources available to undertake a similar process. Therefore, DBEDT opposes this measure because it would adversely impact the priorities set forth in the Executive Biennium budget for Fiscal Years 2009-2010.

Thank you for the opportunity to offer these comments.



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SENATE COMMITTEE ON ENERGY AND ENVIRONMENT

February 17, 2009, 2:45 P.M.

(Testimony is 1 page long)

TESTIMONY IN SUPPORT OF SB 555

Chair Gabbard and members of the Committee:

The Sierra Club, Hawai'i Chapter, with 5500 dues paying members statewide, *supports* SB 555, ensuring that appliances sold in Hawai'i meet a minimum energy efficiency level.

Even on those rare occasions when consumers do know the total cost of ownership of appliances, decisions are frequently driven by the upfront cost of an appliance. This short-term thinking has a direct, negative impact on consumer spending, energy consumption, and job-creation.

For example, a recent 2009 report found that California's economy grew as a result of aggressive energy efficiency projects.¹ Cutting energy bills let California consumers and companies spend their cash on other things, and helped create 1.5 million jobs.

California is a good model to follow. California's aggressive efforts to improve the efficiency of things like air conditioners and refrigerators have helped hold its electric demand steady per capita for *three decades*. By contrast, electricity consumption has grown by 50 percent for the U.S. as a whole in that same time period.

Let's take a concrete step towards keeping money in our resident's pockets instead of buying Middle Eastern oil. Please pass this bill.

Thank you for the opportunity to testify.

¹ See 2009 California Green Innovation Index, available at www.next10.org



SENATE COMMITTEE ON ENERGY AND ENVIRONMENT

February 17, 2008, 2:45 P.M.

Room 225

(Testimony is 2 pages long)

TESTIMONY IN SUPPORT OF SB 555

Chair Gabbard and members of the committee:

The Blue Planet Foundation supports Senate Bill 555, establishing appliance efficiency standards for Hawai'i.

Unfortunately, many residential and business customers have demonstrated extreme myopia in their purchasing decisions. The "upfront" cost of an appliance or piece of equipment frequently drives the purchase decision—not the long-term cost of operating the equipment. Even when the reduction in electricity use pays for the increase in upfront cost many times over—sometimes with a payback time of a couple of years or less—the customer will frequently opt for the less expensive first-cost choice.

While we can't legislate common sense, we can pass a law that will reduce energy demand and keep more money in consumers' pockets (and less paying for imported oil). Federal energy efficiency standards have been extremely successful in reducing energy costs for consumers. According to the American Council for an Energy Efficient Economy (2002), federal energy efficiency standards have saved consumers approximately \$50 billion on their energy bills.

While Federal energy efficiency standards are subject to the lobbying pressure and industry special interests in Washington, DC, Hawai'i is free to pass smart energy efficiency legislation—such as SB 555—to save Hawai'i's residents and businesses money.

Thank you for the opportunity to testify.