



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

June 26, 2019

GOV. MSG. NO. 1243

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirtieth State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Thirtieth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on June 26, 2019, the following bill was signed into law:

HB556 HD1 SD2 CD1

RELATING TO ENERGY EFFICIENCY.
ACT 141 (19)

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

A BILL FOR AN ACT

RELATING TO ENERGY EFFICIENCY.

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

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

14 The legislature further finds that new appliance efficiency
15 standards have the potential to save Hawaii families and
16 businesses billions of dollars while conserving energy and water
17 resources. According to a 2017 national study from the American



1 Council for an Energy-Efficient Economy, Hawaii has the best
2 opportunity in the nation to save money through the
3 implementation of appliance efficiency standards. The study
4 found that by adopting appliance efficiency standards, Hawaii
5 could save up to \$1,000,000,000 in electricity costs over twenty
6 years, which is the equivalent of about \$215 annually for each
7 Hawaii household. Although many appliances, such as
8 refrigerators, dishwashers, and commercial air conditioners, are
9 regulated by national appliance efficiency standards, the study
10 found that states can save billions of dollars by adopting
11 state-level appliance efficiency standards for appliances that
12 are not regulated by national standards.

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

- 16 (1) Provide a boost to the local economy, which occurs
17 when consumers and businesses spend their economic
18 savings on other goods and services;
- 19 (2) Protect consumers against manufacturers who would
20 otherwise unload less efficient appliances that they
21 cannot sell in states with heightened standards;



1 (3) Ensure that Hawaii residents do not miss out on
2 potential savings while progress on standards at the
3 national level is uncertain;

4 (4) Improve electric system reliability and potentially
5 reduce the need for new energy and water
6 infrastructures based on the resulting energy and
7 water savings;

8 (5) Lower electricity bills for residents and businesses;
9 and

10 (6) Reduce air pollutants and greenhouse gas emissions,
11 which can result in public health benefits and help
12 the State meet its clean energy and climate change
13 mitigation targets.

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

18 The legislature recognizes the state of California as a
19 leader in establishing state-level appliance efficiency
20 standards that protect consumers and finds that the California
21 appliance efficiency standards should be used as a model for



1 Hawaii's standards. For non-federally regulated appliances
2 without state-level appliance efficiency standards in
3 California, Hawaii should look to other existing standards of
4 efficiency specifications, such as the ENERGY STAR or the U.S.
5 Environmental Protection Agency's WaterSense program standards.

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

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

12 "PART . APPLIANCE EFFICIENCY STANDARDS

13 §196-A Definitions. As used in this part:

14 "Compensation" means money or any other valuable thing,
15 regardless of form, received or to be received by a person for
16 services rendered.

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

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



1 "Department" means the department of business, economic
2 development, and tourism.

3 "Director" means the director of business, economic
4 development, and tourism.

5 "Faucet" means a lavatory faucet, kitchen faucet, metering
6 faucet, or replacement aerator for a lavatory or kitchen faucet.

7 "High color rendering index fluorescent lamp" means a
8 fluorescent lamp with a color rendering index of eighty-seven or
9 greater that is not a compact fluorescent lamp.

10 "Showerhead" means a device through which water is
11 discharged for a shower bath. Showerhead includes any
12 showerhead, including a handheld showerhead, except a safety
13 showerhead.

14 "Spray sprinkler body" means the exterior case or shell of
15 a sprinkler incorporating a means of connection to the piping
16 system designed to convey water to a nozzle or orifice.

17 §196-B Purpose. The purpose of this part is to establish
18 minimum appliance efficiency standards for certain products sold
19 or installed in the State.



1 §196-C Rules. The director may adopt rules pursuant to
2 chapter 91 to enforce minimum efficiency standards for the types
3 of new products set forth in section 196-D.

4 §196-D Scope. (a) Appliance efficiency standards are
5 established under this part for the following appliances, if
6 standards for these appliances are not preempted by federal law:

- 7 (1) Computers and computer monitors;
 - 8 (2) Faucets;
 - 9 (3) High color rendering index fluorescent lamps;
 - 10 (4) Showerheads; and
 - 11 (5) Spray sprinkler bodies.
- 12 (b) This section shall apply to the sale and offering for
13 sale, lease, or rent of appliances under subsection (a) in the
14 State.
- 15 (c) This section shall not apply to:
- 16 (1) New products manufactured in the State and sold
17 outside the State;
 - 18 (2) New products manufactured outside the State and sold
19 at wholesale inside the State for final retail sale
20 and installation outside the State;



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

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

8 **§196-E Appliance efficiency standards.** (a) The following
9 minimum efficiency standards shall apply to products listed or
10 incorporated in section 196-D:

- 11 (1) Computers and computer monitors shall meet the
12 requirements set forth in California Code of
13 Regulations, Title 20, Section 1605.3, as amended;
- 14 (2) Faucets shall meet the minimum efficiency standards
15 set forth in California Code of Regulations, Title 20,
16 Section 1605.1, as amended;
- 17 (3) High color rendering index fluorescent lamps shall
18 meet the minimum efficacy requirements contained in
19 Section 430.32(n)(4) of Title 10 of the Code of
20 Federal Regulations as in effect on January 3, 2017,
21 as measured in accordance with Appendix R to Subpart B



1 of Part 430 of Title 10 of the Code of Federal
2 Regulations—"Uniform Test Method for Measuring Average
3 Lamp Efficacy (LE), Color Rendering Index (CRI), and
4 Correlated Color Temperature (CCT) of Electric Lamps"—
5 as amended;

6 (4) Showerheads shall meet the minimum efficiency
7 standards set forth in California Code of Regulations,
8 Title 20, Section 1605.1, as amended; and

9 (5) Spray sprinkler bodies that are not specifically
10 excluded from the scope of the Environmental
11 Protection Agency's WaterSense Specification for Spray
12 Sprinkler Bodies, Version 1.0, shall include an
13 integral pressure regulator and shall meet the water
14 efficiency and performance criteria and other
15 requirements of that specification, as amended.

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



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

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

13 **§196-G Protection against repeal of federal standards.**

14 (a) If any of the energy or water conservation standards issued
15 or approved for publication by the Office of the United States
16 Secretary of Energy as of January 19, 2017, pursuant to the
17 Energy Policy and Conservation Act (Parts 430-431 of Title 10 of
18 the Code of Federal Regulations), are withdrawn, repealed, or
19 otherwise voided, the minimum energy or water efficiency level
20 permitted for products previously subject to federal energy or
21 water conservation standards shall be the previously applicable



1 federal standards, and no such new product may be sold or
2 offered for sale, lease, or rent in the State unless it meets or
3 exceeds such standards.

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

8 **§196-H Testing, certification, and labeling.**

9 Manufacturers shall test, certify, and label products meeting
10 the standards set forth in section 196-E and may utilize
11 testing, certification, and labeling programs of other states
12 and federal agencies with similar standards for purposes of
13 compliance under this part. Products listed in California's
14 Modernized Appliance Efficiency Database System shall be deemed
15 to be in compliance with this part."

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

18 "(b) The public benefits fee administrator's duties and
19 responsibilities shall be established by the public utilities
20 commission by rule or order, and may include:



- 1 (1) Identifying, developing, administering, promoting,
2 implementing, and evaluating programs, methods, and
3 technologies that support energy-efficiency and
4 demand-side management programs;
- 5 (2) Encouraging the continuance or improvement of
6 efficiencies made in the production, delivery, and use
7 of energy-efficiency and demand-side management
8 programs and services;
- 9 (3) Using the energy-efficiency expertise and capabilities
10 that have developed or may develop in the State and
11 consulting with state agency experts;
- 12 (4) Promoting program initiatives, incentives, and market
13 strategies that address the needs of persons facing
14 the most significant barriers to participation;
- 15 (5) Promoting coordinated program delivery, including
16 coordination with electric public utilities regarding
17 the delivery of low-income home energy assistance,
18 other demand-side management or energy-efficiency
19 programs, and any utility programs;
- 20 (6) Consideration of innovative approaches to delivering
21 demand-side management and energy-efficiency services,



1 including strategies to encourage third-party
2 financing and customer contributions to the cost of
3 demand-side management and energy-efficiency services;
4 [and]

5 (7) Submitting, to the public utilities commission for
6 review and approval, a multi-year budget and planning
7 cycle that promotes program improvement, program
8 stability, and maturation of programs and delivery
9 resources[-]; and

10 (8) Educating and training appliance manufacturers,
11 distributors, and retailers of appliances covered
12 under part of chapter 196 about the appliance
13 efficiency standards established under that part to
14 improve compliance."

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

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



1 invalid provision or application, and to this end the provisions
2 of this Act are severable.

3 SECTION 6. In codifying the new sections added by section
4 2 of this Act, the revisor of statutes shall substitute
5 appropriate section numbers for the letters used in designating
6 the new sections in this Act.

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

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

APPROVED this 26 day of JUN, 2019



GOVERNOR OF THE STATE OF HAWAII



HB No. 556, HD 1, SD 2, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: April 30, 2019
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirtieth Legislature of the State of Hawaii, Regular Session of 2019.



Scott K. Saiki
Speaker
House of Representatives

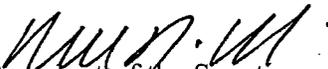


Brian L. Takeshita
Chief Clerk
House of Representatives

THE SENATE OF THE STATE OF HAWAI'I

Date: April 30, 2019
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the
Senate of the Thirtieth Legislature of the State of Hawai'i, Regular Session of 2019.


President of the Senate


Clerk of the Senate