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# 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 improving energy  
2 efficiency is the cheapest, quickest, and cleanest way to  
3 accelerate Hawaii's transition to one hundred per cent renewable  
4 energy. Hawaii's buildings and facilities offer enormous  
5 opportunities for energy savings, yet the potential for savings  
6 is not readily apparent through current disclosure and  
7 information sharing requirements.

8           The legislature finds that Hawaii can accelerate progress  
9 toward its goals relating to clean energy, economic security,  
10 and greenhouse gas emission reduction by expanding the State's  
11 building energy benchmarking and energy consumption disclosure  
12 requirements beyond residential and public buildings. Building  
13 energy benchmarking is a useful starting point for  
14 nonresidential building owners and operators to target energy  
15 savings opportunities. Building energy benchmarking is the  
16 process of comparing a facility's energy usage against



1 facilities of a similar type or function to identify  
2 opportunities for savings.

3 Hawaii is already a leader in driving energy transparency  
4 in single-family housing pursuant to the State's residential  
5 energy-use disclosure policy, set forth in section 508D-10.5,  
6 Hawaii Revised Statutes. Hawaii previously adopted benchmarking  
7 policies for public facilities and buildings, as provided in  
8 section 196-30, Hawaii Revised Statutes. The State recently  
9 completed a successful benchmarking project for public buildings  
10 with the support of the United States Department of Energy's  
11 state energy program. Between 2014 and 2016, the State  
12 benchmarked four hundred sixteen public facilities, including  
13 facilities that encompass multiple buildings, such as  
14 universities. This benchmarking involved more than two thousand  
15 six hundred buildings and covered more than twenty-nine million  
16 square feet. The benchmarking project found potential for all  
17 state agencies to save more than fifty-six million kilowatt  
18 hours annually. Using current electricity rates, this potential  
19 savings is equivalent to more than \$25,000,000.

20 The legislature finds that this transparency and visibility  
21 into the potential for savings should be extended to



1 nonresidential properties in the State, including commercial  
2 properties. Leading states, such as California and Washington,  
3 have already extended their benchmarking policies beyond public  
4 buildings to include commercial buildings. Benchmarking the  
5 energy use of this sector with regular measurement and  
6 disclosures has clear benefits for many stakeholders. Building  
7 owners understand how much gas and electricity their properties  
8 use and they may take steps to reduce wasted energy, helping to  
9 lower energy costs and stay competitive. Benchmarking data  
10 helps to fill an information gap for commercial real estate  
11 firms and investors, providing everyone with access to the same  
12 information. For tenants, benchmarking and disclosure provide  
13 valuable data to better understand energy use and make informed  
14 decisions.

15       The purpose of this Act is to encourage energy efficiency  
16 by requiring benchmarking for nonresidential buildings,  
17 including commercial buildings.

18       SECTION 2. Chapter 269, Hawaii Revised Statutes, is  
19 amended by adding a new section to part I to be appropriately  
20 designated and to read as follows:



1        "§269- Nonresidential building benchmarking. (a) After  
2 December 31, 2019, electric and gas utilities shall maintain  
3 records of the energy consumption data of all nonresidential  
4 buildings to which they provide service. This data shall be  
5 maintained for at least the most recent twelve months in a  
6 format compatible for use with the portfolio management tool.

7        (b) After December 31, 2019, upon the written  
8 authorization or secure electronic authorization of a  
9 nonresidential building owner or operator, electric and gas  
10 utilities shall provide the aggregated energy consumption data  
11 for use in the portfolio management tool for the accounts  
12 specified by the owner or operator; provided that the data  
13 conforms to the rule of 15/15. Nonresidential building owners  
14 or operators may also request account-specific data by providing  
15 customer authorization.

16        (c) In complying with this section, electric and gas  
17 utilities shall use any method for providing the specified data  
18 that maximizes efficiency and minimizes overall program cost.  
19 Electric and gas utilities may consult with any customer or the  
20 United States Environmental Protection Agency to develop  
21 reasonable reporting options.



1        (d) Disclosure of nonpublic nonresidential benchmarking  
2 data required under subsection (e) of this section shall be as  
3 follows:

4        (1) By January 1, 2021, for buildings greater than fifty  
5 thousand square feet; and

6        (2) By January 1, 2022, for buildings greater than ten  
7 thousand square feet.

8        (e) Based on the size specifications in subsection (d), a  
9 building owner or operator, or a designated agent of a building  
10 owner or operator, of a nonresidential building shall disclose  
11 the benchmarking data to a prospective buyer, lessee, or lender  
12 for the most recent continuously occupied twelve-month period.  
13 A building owner or operator, or a designated agent, who  
14 delivers benchmarking data to a prospective buyer, lessee, or  
15 lender is not required to provide additional information  
16 regarding energy consumption, and the information is deemed to  
17 be adequate to inform the prospective buyer, lessee, or lender  
18 of the benchmarking data for the most recent twelve month period  
19 for the building that is being sold, leased, financed, or  
20 refinanced.



1        (f) Notwithstanding subsections (d) and (e), nothing in  
2 this section shall alter the duty, if any, of a building owner,  
3 operator, or designated agent of any building owner or operator,  
4 under this chapter or alter the duty of a seller, agent, or  
5 broker to disclose the existence of a material fact affecting  
6 the real property."

7        SECTION 3. Section 269-1, Hawaii Revised Statutes, is  
8 amended by adding four new definitions to be appropriately  
9 inserted and to read as follows:

10        "Benchmark" means the energy used by a facility, as  
11 recorded monthly for at least one year, and the facility  
12 characteristics information inputs required for a portfolio  
13 management tool.

14        "Energy consumption data" means the monthly amount of  
15 energy consumed by a customer as recorded by the applicable  
16 energy meter for the most recent twelve month period.

17        "Portfolio management tool" means the United States  
18 Environmental Protection Agency's ENERGY STAR portfolio manager  
19 or an equivalent tool adopted by the energy resources  
20 coordinator.



1           "Rule of 15/15" means a data set is considered anonymized  
2 if it consists of at least fifteen members, and no one member  
3 accounts for more than fifteen per cent of the quantity  
4 measured."

5           SECTION 4. New statutory material is underscored.

6           SECTION 5. This Act shall take effect on July 1, 2100.



**Report Title:**

Public Utilities Commission; Building Energy Consumption  
Benchmarking; Energy Efficiency

**Description:**

Requires energy consumption benchmarking for all nonresidential buildings. Requires disclosure of resulting, anonymized and aggregated benchmarking data to a prospective property buyer, lessee, or lender. (HB 1520 HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

