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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 energy efficiency is  
2 the most cost-effective way to reduce emissions associated with  
3 electricity generation and consumption. The legislature further  
4 finds that maximizing efficiency and thereby reducing demand for  
5 power generation is a necessary component of reaching the  
6 State's goal of one hundred per cent renewable energy by 2045.  
7 Energy used to power buildings accounts for more than fifty per  
8 cent of the electricity consumed in the State, yet the State has  
9 not undertaken improvements for increased efficiency in many of  
10 its own facilities, forgoing millions of dollars in potential  
11 savings.

12           The legislature further finds that the COVID-19 pandemic  
13 has devastated Hawaii's economy. With one of the State's  
14 primary areas of focus being economic recovery and resilience in  
15 the wake of COVID-19, the legislature recognizes the importance  
16 of elevating Hawaii's growing clean energy industry, which can  
17 diversify the economy, create new jobs, contribute to workforce



1 development, and help the State to meet critical energy goals.  
2 With the budget deficit the State is currently facing, the  
3 legislature believes it is imperative for all state departments  
4 to control their energy usage and lower their utility bills.  
5 Energy efficiency is the first and most cost-effective step in  
6 smart energy management and should be prioritized by every state  
7 agency. The State should also seize this opportunity to create  
8 new jobs in the energy sector at a time when they are badly  
9 needed.

10 It is important for the State to lead by example when it  
11 comes to energy efficiency, energy efficient new building  
12 construction, and maximizing savings of taxpayer dollars that  
13 would otherwise be spent on utility bills.

14 Act 122, Session Laws of Hawaii 2019 (Act 122), stated that  
15 "efforts taken by universities, public schools, executive  
16 departments, and other government entities have already begun to  
17 save taxpayers money by reducing the government's electricity  
18 costs. However, those efforts lack statewide coordination,  
19 preventing economies of scale to maximize savings. While some  
20 departments have made substantial progress, others have yet to  
21 commence meaningful activities." Additionally, Act 122, further



1 stated, regarding the Hawaii state energy office, that  
2 "[t]asking a single agency to plan for energy savings measures  
3 across all public facilities and assist government entities  
4 already working to reduce energy costs is a necessary step to  
5 maximize taxpayer savings" and "[t]he legislature's intent is to  
6 establish in statute an energy agency...that will assist both  
7 the public and private sectors in achieving the State's energy  
8 goals." Consistent with this, the Hawaii state energy office is  
9 working with state agencies to assess opportunities to reach a  
10 target goal of twenty-five per cent reduction by 2025 (from a  
11 2005 baseline year) through the energy efficiency in state  
12 buildings project.

13 The purpose of this Act is to:

- 14 (1) Require state facilities, with the exception of  
15 smaller facilities and facilities at Aloha Stadium, to  
16 implement cost-effective energy efficiency measures;
- 17 (2) Direct the Hawaii state energy office to collect all  
18 state-owned facilities' utility bill and energy usage  
19 data and make this data publicly available;



- 1 (3) Establish a goal for the State to achieve at least a
- 2 twenty-five percent reduction in the electricity
- 3 consumption of state facilities;
- 4 (4) Provide that certain agencies that perform energy
- 5 efficiency retrofitting may continue to receive budget
- 6 appropriations for energy expenditures; and
- 7 (5) Beginning July 1, 2022, require, where feasible and
- 8 cost-effective, the design of all new state building
- 9 construction to maximize energy generation, water
- 10 efficiency, energy efficiency, and energy generation
- 11 potential, and to use building materials that reduce
- 12 the carbon footprint of the project.

13 SECTION 2. Chapter 196, Hawaii Revised Statutes, is  
 14 amended by adding three new sections to part II to be  
 15 appropriately designated and to read as follows:

16 "§196- Energy efficiency implementation for state  
 17 facilities. (a) State facilities shall implement  
 18 cost-effective energy efficiency measures or enter into  
 19 performance contracts for the implementation of cost-effective  
 20 energy efficiency measures as follows:



1       (1) Beginning on January 1, 2023, for all state facilities  
2       that have not implemented section 36-41 since 2010;  
3       and

4       (2) Beginning on January 1, 2025, for all other state  
5       facilities; provided that the simple payback period  
6       shall not exceed the performance period of the  
7       contract.

8       (b) State facilities having an area under ten thousand  
9       square feet and facilities at Aloha Stadium shall be exempt from  
10      the requirements of subsection (a).

11      (c) For purposes of this section:

12      "Cost-effective energy efficiency measure" means any energy  
13      efficiency measure where the cost of the energy efficiency  
14      measure shall be equal to or less than the estimated savings  
15      over a period of twenty years or the life of the installed  
16      components, whichever is less.

17      "Energy efficiency measure" means any energy services,  
18      projects, and equipment, including but not limited to building  
19      or facility energy conservation enhancing, demand management, or  
20      demand response retrofits, which can include energy saved  
21      offsite by water or other utility enhancing retrofits, to



1 improve the energy efficiency or reduce energy costs of the  
2 facility.

3 "Facility" shall have the same meaning as that term is  
4 defined in section 36-41(d).

5 **§196- Utility bills and energy usage data; state-owned**  
6 **facilities.** The Hawaii state energy office shall collect all  
7 utility bill and energy usage data for state-owned facilities  
8 monthly and shall make this information available in a publicly  
9 accessible format.

10 **§196- Reduction of electricity consumption of state**  
11 **facilities.** It shall be the goal of the State to achieve at  
12 least a twenty-five per cent reduction in electricity  
13 consumption of state facilities, using 2005 as the baseline  
14 year."

15 SECTION 3. Section 36-41, Hawaii Revised Statutes, is  
16 amended by amending subsection (a) to read as follows:

17 "(a) All agencies shall evaluate and identify for  
18 implementation energy efficiency retrofitting through  
19 performance contracting. Agencies that perform energy  
20 efficiency retrofitting may continue to receive budget  
21 appropriations for energy expenditures at an amount that [~~shall~~



1 ~~not fall below the pre-retrofitting energy budget but shall rise~~  
2 ~~in proportion to any increase in the agency's overall budget for~~  
3 ~~the duration of the performance contract or project payment~~  
4 ~~term.] accounts for any costs, including for maintenance,~~  
5 ~~contracts, or debt service for the implementation and management~~  
6 ~~of energy efficiency measures."~~

7 SECTION 4. Section 107-27, Hawaii Revised Statutes, is  
8 amended to read as follows:

9 **"§107-27 Design of state buildings.** (a) No later than  
10 one year after the adoption of codes or standards pursuant to  
11 section 107-24(c), the design of all state building construction  
12 shall be in compliance with the Hawaii state building codes,  
13 except state building construction shall be allowed to be  
14 exempted from:

- 15 (1) County codes that have not adopted the Hawaii state  
16 building codes;
- 17 (2) Any county code amendments that are inconsistent with  
18 the minimum performance objectives of the Hawaii state  
19 building codes or the objectives enumerated in this  
20 part; or



1 (3) Any county code amendments that are contrary to code  
2 amendments adopted by another county.

3 (b) Exemptions shall include county ordinances allowing  
4 the exercise of indigenous Hawaiian architecture adopted in  
5 accordance with section 46-1.55.

6 (c) The State shall consider hurricane resistant criteria  
7 when designing and constructing new public schools for the  
8 capability of providing shelter refuge.

9 (d) Beginning July 1, 2022, where feasible and  
10 cost-effective, the design of all new state building  
11 construction shall:

- 12 (1) Maximize energy and water efficiency measures;
- 13 (2) Maximize energy generation potential; and
- 14 (3) Use building materials that reduce the carbon  
15 footprint of the project."

16 SECTION 5. This Act does not affect rights and duties that  
17 matured, penalties that were incurred, and proceedings that were  
18 begun before its effective date.

19 SECTION 6. Statutory material to be repealed is bracketed  
20 and stricken. New statutory material is underscored.

21 SECTION 7. This Act shall take effect on July 1, 2050.



**Report Title:**

Energy Efficiency; State Facilities; Building Design

**Description:**

Requires and establishes deadlines for state facilities, except smaller facilities and facilities at Aloha Stadium, to implement cost-effective energy efficiency measures. Directs the Hawaii state energy office to collect utility bill and energy usage data for state-owned buildings and to make the data publicly available. Establishes a goal for the State to achieve at least a twenty-five percent reduction in the electricity consumption of state facilities. Provides that certain agencies that perform energy efficiency retrofitting may continue to receive appropriations for energy expenditures. Beginning 7/1/2022, requires, where feasible and cost-effective, the design of all new state building construction to maximize energy and water efficiency, maximize energy generation potential, and use building materials that reduce the carbon footprint of the project. Effective 7/1/2050. (HD1)

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