
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 per cent 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;

6 provided that the simple payback period shall not exceed the
7 performance period of the contract; provided further that
8 nothing in this subsection shall prohibit facilities from
9 implementing energy efficiency measures sooner than indicated
10 under paragraphs (1) or (2).

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

14 (c) For purposes of this section:

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

20 "Energy efficiency measure" means any energy services,
21 projects, and equipment, including but not limited to building



1 or facility energy conservation enhancing, demand management, or
2 demand response retrofits, which can include energy saved
3 offsite by water or other utility enhancing retrofits, to
4 improve the energy efficiency or reduce energy costs of the
5 facility.

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

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

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

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

20 "(a) All agencies shall evaluate and identify for
21 implementation energy efficiency retrofitting through



1 performance contracting. Agencies that perform energy
2 efficiency retrofitting may continue to receive budget
3 appropriations for energy expenditures at an amount that [~~shall~~
4 ~~not fall below the pre-retrofitting energy budget but shall rise~~
5 ~~in proportion to any increase in the agency's overall budget for~~
6 ~~the duration of the performance contract or project payment~~
7 ~~term.~~] accounts for any costs, including for maintenance,
8 contracts, or debt service for the implementation and management
9 of energy efficiency measures."

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

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

- 18 (1) County codes that have not adopted the Hawaii state
19 building codes;
- 20 (2) Any county code amendments that are inconsistent with
21 the minimum performance objectives of the Hawaii state



1 building codes or the objectives enumerated in this
2 part; or

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

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

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

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

14 (1) Maximize energy and water efficiency measures;

15 (2) Maximize energy generation potential; and

16 (3) Use building materials that reduce the carbon
17 footprint of the project."

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



1 SECTION 6. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

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



Report Title:

Energy Efficiency; State Facilities; Hawaii State Energy Office;
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. (HD2)

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