



**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
**HOUSE COMMITTEES ON
ENERGY & ENVIRONMENTAL PROTECTION
and
ECONOMIC REVITALIZATION, BUSINESS, & MILITARY AFFAIRS**
Thursday, March 19, 2009
11:00 a.m.
State Capitol, Conference Room 325

Bill No. 555
Support Y N
Date 3/18/09
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in consideration of
SB555 SD2
RELATING TO ENERGY EFFICIENCY.

Chair Morita, Chair McKelvey, Vice Chair Coffman, Vice Chair Choy, and Members
of the Committees.

The Department of Business, Economic Development, and Tourism (DBEDT) does
not support certain provisions in SB555 SD2, which in Section 2 of the bill requires that by
January 1, 2013, the Director of DBEDT shall adopt rules pursuant to Chapter 91 for energy
efficiency standards for new appliances for sale in Hawaii and that all subject appliances sold
in Hawaii shall meet such standards by January 1, 2015.

Section 2 may require Hawaii to undergo the same arduous federal waiver application
process facing California and would require resources currently not available within DBEDT.

Even with the additional time provided DBEDT in the latest draft of this bill, there is no
certainty that resources will be available to us in the future. Therefore, we strongly

recommend holding on Section 2 until we complete a detailed investigation and make our recommendations as proposed by Section 3.

Under the American Recovery and Reinvestment Act (ARRA) recently passed by Congress and signed by the President, each state will receive significant funding to provide rebates to incentivize consumers to replace older inefficient appliances with Energy Star products. We believe that through the implementation of this Energy Star rebate program, we will implement a timely and a voluntary standard for energy efficient appliances. With our limited resources and staff, our efforts would be best applied to the ARRA Energy Star rebate program to ensure an effective and expedited appliance efficiency program.

DBEDT could conduct the investigation noted in Section 3 of this bill to evaluate membership in the Collaborative and/or ASAP, and to determine the levels of appliance efficiency and availability of various appliances meeting certain standards. We did an initial membership review for the Collaborative and ASAP. The states of California, Connecticut, Rhode Island, Oregon and Washington formed the Collaborative under the leadership of ASAP. Collaborative members besides California adopted several similar appliance standards, many directly from California's Title 20. Both organizations are funded by a federal grant and are not accepting new members. However, both organizations share information freely. The Collaborative features a searchable product database for several products and their website has state-by-state information on appliance standards. The ASAP tracks changes to federal standards, disseminates information to Collaborative members, and serves as a clearinghouse for all interested parties

Thank you for the opportunity to offer these comments.

TESTIMONY OF CARLITO P. CALIBOSO
CHAIRMAN, PUBLIC UTILITIES COMMISSION
DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE
HOUSE COMMITTEES ON ENERGY & ENVIRONMENTAL PROTECTION
AND ECONOMIC REVITALIZATION, BUSINESS, & MILITARY AFFAIRS
MARCH 19, 2009

Bill No. 555

Support Y N

Date 3/18/09

Time 1:35

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MEASURE: S.B. No. 555 S.D. 2
TITLE: Relating to Energy Efficiency.

Chairs Morita, McKelvey, and Members of the Committees:

DESCRIPTION:

This bill proposes to amend Chapter 196, Hawaii Revised Statutes ("HRS"), by adding a new section with respect to appliance energy efficiency standards. In addition, the department of business, economic development and tourism shall investigate the advantages and disadvantages of the joining the Multi-State Compliance Standard Collaborative, the Appliance Standard Awareness Project, or both, and report its recommendations to the legislature prior to the 2011 regular session.

POSITION:

The Commission supports the intent of this bill to establish appliance standards, but has concerns about the bill requiring the Public Benefits Fee ("PBF") Administrator to establish rules for the appliance energy efficiency standards.

COMMENTS:

- The Commission recently contracted with Science Applications International Corporation ("SAIC") to be the PBF Administrator which will provide energy efficiency programs in the HECO Companies' service territories, and is directed to develop new and innovative energy efficiency programs.
 - It is important to remember that the PBF Administrator is under contract to the Commission; it is not a governmental agency and should not "adopt rules," as directed in Section 2 of the bill.
 - The Commission recommends the legislature amend paragraph (a) in Section 2 of bill and use the language in S.B.555 S.D. 1.
- The Commission defers to the legislature on the determination of the appliance standards.

Thank you for the opportunity to testify.