NEIL ABERCROMBIE GOVERNOR

> RICHARD C. LIM DIRECTOR

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Statement of **RICHARD C. LIM** Director Department of Business, Economic Development, and Tourism before the **HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION** Thursday, February 6, 2014 8:40 a m

8:40 a.m. State Capitol, Conference Room 325 in consideration of

HB 2255 RELATING TO ENERGY PERFORMANCE CONTRACTING FOR PUBLIC BUILDINGS.

Chair Lee, Vice Chair Thielen, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) supports this Administration measure to amend various sections of the Hawaii Revised Statutes relating to performance contracting. The bill provides that agencies entering into energy performance contracts receive budget appropriations and have access to financing options; and that an energy performance contract has a maximum term of 25 years. The amendments allow for longer contract periods for deeper energy improvements and incorporating the construction period into a maximum contract period. The bill also provides that agencies implementing performance contracts provide annual reports to the Department of Business, Economic Development, and Tourism. This will allow better data collection and reporting on performance contracting projects and building benchmarking efforts. The bill also includes housekeeping measures.

Thank you for the opportunity to provide this testimony.

NEIL ABERCROMBIE GOVERNOR



Dean H. Seki Comptroller

Maria E. Zielinski Deputy Comptroller

STATE OF HAWAII DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES P.O. BOX 119 HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY OF DEAN H. SEKI, COMPTROLLER DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES TO THE HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION ON February 6, 2014

H.B. 2255

RELATING TO ENERGY PERFORMANCE CONTRACTING FOR PUBLIC BUILDINGS

Chair Lee and members of the Committee, thank you for the opportunity to submit written testimony on H.B. 2255.

The Department of Accounting and General Services (DAGS) strongly supports H.B.

2255, an administration-sponsored measure, as it will ensure adequate operating budget funding

that will be annually appropriated for State agencies that implement "energy savings

performance contracting (ESPC)" projects. DAGS defers to the Department of Business,

Economic Development and Tourism on matters relating to the substantive provisions of this

bill.

Thank you for the opportunity to submit written testimony on this matter.





HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS

February 6, 2014, 8:40 A.M. (*Testimony is 1 page(s) long*)

TESTIMONY IN SUPPORT OF HB 2255

Aloha Chair Lee and Members of the Committees:

The Sierra Club, Hawaii Chapter, with over 12,000 dues paying members and supporters statewide, *strongly supports* HB 2255. This measure ensures agencies have access to financing options that incentive energy efficient buildings.

State agencies expend tremendous amounts of money on the simple cost of energy. By giving other options to reduce the average cost of a building over time, the state is being penny and pound wise.

Mahalo for the opportunity to testify.