



DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: www.hawaii.gov/dbedt

Telephone: (808) 586-2355
Fax: (808) 586-2377

Statement of
LUIS P. SALAVERIA
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Wednesday, February 10, 2016
2:10 p.m.
State Capitol, Conference Room 325

in consideration of
HB2650
RELATING TO ENERGY.

Chair McKelvey, Vice Chair Woodson, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) offers comments on this proposed measure to establish a working group within DBEDT to address the installation of electrical sub-meters in condominiums. Hawaii Energy provides incentives for existing residential multi-family units, retail spaces, and campuses to install sub-meters for each billable meter. In addition, the Energy Code, recently adopted by the State Building Code Council, requires that for all new construction, units (commercial and multi-family) that are over 1,000 square feet shall be sub-metered.

DBEDT does not have the resources to support the working group proposed. No resources were requested in the Administration's Executive Supplemental Budget and initiatives submitted for fiscal year 2017 to support a working group and to prepare a report.

Thank you for the opportunity to offer these comments.

TESTIMONY OF RANDY IWASE
CHAIR, PUBLIC UTILITIES COMMISSION
STATE OF HAWAII
TO THE
HOUSE COMMITTEE ON
CONSUMER PROTECTION AND COMMERCE

FEBRUARY 10, 2016
2:10 p.m.

MEASURE: H.B. No. 2650
TITLE: RELATING TO ENERGY

Chair McKelvey and Members of the Committee:

DESCRIPTION:

This measure establishes a “condominium sub-meter working group” within the Department of Business, Economic Development, and Tourism. The working group is required to examine financial, technical, administrative, and other issues regarding the installation of electrical sub-meters in new and existing condominium projects. The measure names members of the working group, including the chairperson of the Public Utilities Commission (“Commission”).

POSITION:

The Commission opposes this measure as written and offers the following comments for the Committee’s consideration.

COMMENTS:

The Public Utilities Commission is a regulatory body that is required to act in a quasi-judicial capacity. The possibility exists that in the future the Commission may have to render decisions in matters relating to sub-metering. Accordingly, the Commission feels that it would be inappropriate for its chairperson to be a member of this working group. The Commission recommends that this requirement be stricken from this bill or that the public benefits fee administrator, as established in HRS 269-122, be named instead.

Thank you for the opportunity to testify on this measure.

From: John Brewer <johnb@hawaiianprop.com>
Sent: Monday, February 08, 2016 2:19 PM
To: CPCtestimony
Cc: Rep. Angus McKelvey
Subject: Legislative Bill HB2650 Testimony OPPOSE.; Hearing Date: 2/10/2016 2:10 p.m.

Aloha,

I own and live in a master metered condominium association. I am on the Board of Directors. It has been almost three (3) years since our Board of Directors started discussing sub-metering and finally this year our association is sub-metering. I am very in favor of sub-metering.

But, It's not as simple as calling an electrician. The Board had to hire electrical engineers. The engineers submitted the blueprints to the Department of Planning & Permitting & Permitting (DPP) for approval. Upgrades were mandated by DPP. Approved plans were put out to bid with electrical contractors. Bids came in from \$244,00 to \$441,000. The Board of Directors selected the lowest bid, \$244,000 for 131 units, per PCI, it is anywhere from \$1,464 to \$3,416 per owner; not including the engineering, bid process or any building repair/re-painting. During this process, the Board had to determine the financial feasibility and financially plan for it. After it's in, the Association has the responsibility of billing the individual units for their consumption, not HECO.

I have reservations about this bill because:

- 1) I don't think that July 01, 2016 until November 01, 2016 is enough time for a 'volunteer' working group that will be dissolved on December 31, 2016 to provide 'proposed legislation'.
- 2) If the purpose of this bill as stated is "...to establish a working group to address the installation of electrical sub-meters in condominiums, " then I believe members of the working group should also include people with 'hands on' experience, such as electrical engineers, electrical contractors, and the Department of Planning & Permitting inspectors.

It's worth doing, it should be done, therefore, it should be done correctly from the beginning.

Sincerely,

John Brewer, CMCA®, AMS®
Senior Property Manager

Phone: 808-539-9722
Fax: 808-521-2714
E-mail: johnb@hawaiianprop.com

Front Desk: 539-9777



This message is confidential. It may also be privileged or otherwise protected by work product immunity or other legal rules. If you have received it by mistake, please let us know by e-mail reply and delete it from your system; you may not copy this message or disclose its contents to anyone. Please send us by fax any message containing deadlines as incoming e-mails are not screened for response deadlines. The integrity and security of this message cannot be guaranteed on the Internet.

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 05, 2016 10:16 AM
To: CPCtestimony
Cc: kalelekai002@hawaii.rr.com
Subject: Submitted testimony for HB2650 on Feb 10, 2016 14:10PM

HB2650

Submitted on: 2/5/2016

Testimony for CPC on Feb 10, 2016 14:10PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Alan Takumi	Individual	Comments Only	No

Comments: This is a good attempt to clarify issues related to sub-metering existing condominiums. However, I would suggest that the Community Associations Institute (CAI) representative be the CAI Legislative Action Committee.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov