

Honolulu, Hawaii

MAR 28 2018

RE: S.C.R. No. 90
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committees on Transportation and Energy and Government Operations, to which was referred S.C.R. No. 90 entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING A STUDY OF POTENTIAL PROJECTS THAT WOULD REDUCE ENERGY COSTS FOR ALL STATE DEPARTMENTS AND AGENCIES,"

beg leave to report as follows:

The purpose and intent of this measure is to request the:

- (1) Department of Accounting and General Services to examine projects that would reduce energy costs for state departments and agencies, and submit a report of its findings and recommendations;
- (2) Office of the Auditor to examine potential energy savings costs for state departments and agencies, and submit a report of its findings and recommendations; and
- (3) State Procurement Office to update and publish the Energy Savings Performance Contracting list.

Your Committees received testimony in support of this measure from the State Procurement Office, Ulupono Initiative, NORESO, and O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i. Your Committees received comments on



this measure from the Department of Accounting and General Services and Office of the Auditor.

Your Committees find that Hawaii has been a leader among governments committing to clean, renewable energy. Using renewable energy helps minimize the negative environmental consequences of using fossil fuel, allows Hawaii to be more energy independent, and reduces energy costs in the State. The latter is particularly important for state and county agencies, as the government is a major consumer of electricity, and millions of dollars can be saved through energy-efficient measures. However, your Committees note that despite laws requiring government agencies to identify and implement energy-efficient retrofits, maintenance has not been done regularly. In the face of increasing electricity costs, your Committees believe that identifying and implementing energy-efficiency projects, ranging from retrofitting buildings to investing in more energy efficient equipment, will reduce energy costs for state departments and agencies and is of utmost importance.

Your Committees note that the Office of the Auditor provided testimony concerned about its ability to complete an "energy audit", pointing to the:

- (1) Limited technical knowledge of energy-related technologies that the Office of the Auditor possesses, as it typically performs performance or management audits, rather than technical audits; and
- (2) Broad scope of the request to assess every state department and agency.

Your Committees further note that the State Procurement Office provided testimony explaining that publishing the Energy Savings Performance Contracting list by July 1, 2018, was infeasible. The State Procurement Office noted the timelines for previous vendor lists, pointing to the seven months and five months, respectively, required to receive and review competitive sealed proposals and qualify contractors for the past two Energy Savings Performance Contracting lists.

Accordingly, your Committees have amended this measure by:



- (1) Requesting the Department of Business, Economic Development, and Tourism to examine projects that would reduce energy costs for state departments and agencies, instead of the Department of Accounting and General Services;
- (2) Requesting the Department of Business, Economic Development, and Tourism to work with the Office of the Auditor to examine potential energy savings costs for state departments and agencies;
- (3) Changing the date by which the State Procurement Office is requested to update and publish the Energy Savings Performance Contracting list, from July 1, 2018, to July 1, 2019; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 90, as amended herein, and recommend that it be referred to your Committee on Ways and Means, in the form attached hereto as S.C.R. No. 90, S.D. 1.

Respectfully submitted on
behalf of the members of the
Committees on Transportation
and Energy and Government
Operations,



DONNA MERCADO KIM, Chair



LORRAINE R. INOUE, Chair



The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Transportation and Energy
TRE

Bill / Resolution No.:* <div style="text-align: center; font-size: 1.2em;">SCR 90</div>	Committee Referral: <div style="text-align: center; font-size: 1.2em;">TRE/GVD, WAM</div>	Date: <div style="text-align: center; font-size: 1.2em;">3/27/2018</div>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
INOUE, Lorraine R. (C)	X			
ESPERO, Will (VC)	X			
ENGLISH, J. Kalani	X			
HARIMOTO, Breene				X
SHIMABUKURO, Maile S.L.				X
TOTAL	3			2
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: <div style="text-align: center; font-size: 1.5em; margin-top: 10px;">Will Espero</div>				
Distribution: <div style="display: flex; justify-content: space-between; font-size: 0.8em; margin-top: 5px;"> <div>Original File with Committee Report</div> <div>Yellow Clerk's Office</div> <div>Pink Drafting Agency</div> <div>Goldenrod Committee File Copy</div> </div>				

***Only one measure per Record of Votes**

The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Government Operations
GVO

Bill / Resolution No.:* SCR 90	Committee Referral: TRE/GVO, WAM	Date: 3-27-18		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"><input type="checkbox"/> Pass, unamended 2312</div> <div style="text-align: center;"><input checked="" type="checkbox"/> Pass, with amendments 2311</div> <div style="text-align: center;"><input type="checkbox"/> Hold 2310</div> <div style="text-align: center;"><input type="checkbox"/> Recommit 2313</div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
KIM, Donna Mercado (C)	<input checked="" type="checkbox"/>			
RUDERMAN, Russell E. (VC)	<input checked="" type="checkbox"/>			
GALUTERIA, Brickwood	<input checked="" type="checkbox"/>			
KEITH-AGARAN, Gilbert S.C.	<input checked="" type="checkbox"/>			
RHOADS, Karl	<input checked="" type="checkbox"/>			
TOTAL	5	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: <div style="display: flex; justify-content: space-around; font-size: small;"> Original File with Committee Report Yellow Clerk's Office Pink Drafting Agency Goldenrod Committee File Copy </div>				

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