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## 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 The purpose of this Act is to:

- 15 (1) Require state facilities, with the exception of  
16 smaller facilities and facilities at Aloha Stadium, to  
17 implement cost-effective energy efficiency measures;
- 18 (2) Direct the Hawaii state energy office to collect all  
19 state-owned facilities' utility bill and energy usage  
20 data and make this data publicly available;



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1 (3) Provide that certain agencies that perform energy  
2 efficiency retrofitting may continue to receive budget  
3 appropriations for energy expenditures at an amount  
4 that accounts for any costs or debt service for the  
5 implementation and management of energy efficiency  
6 measures; and

7 (4) Beginning July 1, 2021, require, where feasible and  
8 cost-effective, the design of all new state building  
9 construction to maximize energy generation and water  
10 efficiency, maximize energy and water efficiency,  
11 maximize energy generation potential, and use building  
12 materials that reduce the carbon footprint of the  
13 project.

14 SECTION 2. Chapter 196, Hawaii Revised Statutes, is  
15 amended by adding two new sections to part II to be  
16 appropriately designated and to read as follows:

17 **"§196- Energy efficiency implementation for state**  
18 **facilities.** (a) State facilities shall implement cost-  
19 effective energy efficiency measures or enter into performance  
20 contracts for the implementation of cost-effective energy  
21 efficiency measures as follows:



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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; provided that the simple payback period  
6       shall not exceed the performance period of the  
7       contract.

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

11      (c) For purposes of this section:

12      "Cost-effective energy efficiency measure" means any energy  
13      efficiency measure where the cost of the energy efficiency  
14      measure, including the savings it will realize, are estimated to  
15      be equal to or less than the base case over a period of twenty  
16      years.

17      "Energy efficiency measure" means any energy services,  
18      projects, and equipment, including but not limited to building  
19      or facility energy conservation enhancing retrofits, which can  
20      include energy saved offsite by water or other utility enhancing  
21      retrofits, to improve the energy efficiency of the facility.



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

3        §196-        Utility bills and energy usage data; state-owned  
4 facilities.    The Hawaii state energy office shall collect all  
5 utility bill and energy usage data for state-owned facilities  
6 monthly and shall make this information available in a publicly  
7 accessible format."

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

10        "(a) All agencies shall evaluate and identify for  
11 implementation energy efficiency retrofitting through  
12 performance contracting. Agencies that perform energy  
13 efficiency retrofitting may continue to receive budget  
14 appropriations for energy expenditures at an amount that [~~shall~~  
15 ~~not fall below the pre-retrofitting energy budget but shall rise~~  
16 ~~in proportion to any increase in the agency's overall budget for~~  
17 ~~the duration of the performance contract or project payment~~  
18 ~~term.~~] accounts for any costs for contracts or debt service for  
19 the implementation and management of energy efficiency  
20 measures."



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

3 **"§107-27 Design of state buildings.** (a) No later than  
4 one year after the adoption of codes or standards pursuant to  
5 section 107-24(c), the design of all state building construction  
6 shall be in compliance with the Hawaii state building codes,  
7 except state building construction shall be allowed to be  
8 exempted from:

- 9 (1) County codes that have not adopted the Hawaii state  
10 building codes;
- 11 (2) Any county code amendments that are inconsistent with  
12 the minimum performance objectives of the Hawaii state  
13 building codes or the objectives enumerated in this  
14 part; or
- 15 (3) Any county code amendments that are contrary to code  
16 amendments adopted by another county.

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



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

4 (d) Beginning July 1, 2021, where feasible and cost-  
5 effective, the design of all new state building construction  
6 shall:

7 (1) Maximize energy and water efficiency measures;

8 (2) Maximize energy generation potential; and

9 (3) Use building materials that reduce the carbon  
10 footprint of the project."

11 SECTION 5. This Act does not affect rights and duties that  
12 matured, penalties that were incurred, and proceedings that were  
13 begun before its effective date.

14 SECTION 6. Statutory material to be repealed is bracketed  
15 and stricken. New statutory material is underscored.

16 SECTION 7. This Act shall take effect upon its approval.

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INTRODUCED BY:

*Mark E. Lowe*

JAN 22 2021



# H.B. NO. 550

**Report Title:**

Energy Efficiency; State Facilities; 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. Provides that certain agencies that perform energy efficiency retrofitting may continue to receive appropriations for energy expenditures at an amount that accounts for any costs or debt service for the implementation and management of energy efficiency measures. Beginning 7/1/2021, 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.

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