

JAN 21 2022

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# A BILL FOR AN ACT

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RELATING TO ENERGY EFFICIENCY.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1. The Hawaii Revised Statutes is amended by  
2 adding a new chapter to title 13 to be appropriately designated  
3 and to read as follows:

4                               **"CHAPTER**

5                               **DISCLOSURE OF ENERGY EFFICIENCY SCORES AND GRADES**

6       §   -1   **Definitions.** As used in this chapter, unless the  
7 context otherwise requires:

8       "Benchmarking tool" means the internet-based database  
9 system developed by the United States Environmental Protection  
10 Agency, and any complementary interface designated by the  
11 department, to track and assess the energy and water use of  
12 certain buildings relative to similar buildings.

13       "County" means the county in which a building is located.

14       "Covered building" means, as established by the records of  
15 the county agency responsible for the taxation of real property  
16 in the county:



(1) Any building that exceeds twenty-five thousand gross square feet;

(2) Two or more buildings on the same tax lot that together exceed one hundred thousand gross square feet; or

(3) Two or more homes held in the condominium form of ownership that are governed by the same board of directors and that together exceed one hundred thousand gross square feet; or

(4) A covered government building.

"Covered building" does not include:

(1) Any building that provides public housing;

(2) Any one-family, two-family, or three-family residential real property, including dwellings used in part for nonresidential purposes but that are used primarily for residential purposes, except property held in cooperative or condominium forms of ownership, other than:

(A) Property described in paragraphs (4) and (5); and



(B) Property that contains no more than three

dwelling units held in condominium form of

ownership;

(3) Any owner-occupied mobile home or trailer;

(4) Residential real property not more than three stories

in height held in condominium form of ownership;

(5) Residential real property consisting of one-family

house structures owned by the occupants, situated on

land held in cooperative ownership by owner occupiers

for the sole purpose of maintaining one-family

residences for members' own use;

(6) Residential property, not more than three stories,

consisting of a series of attached, detached or

semi-detached dwellings, for which ownership and the

responsibility for maintenance of the heating,

ventilation, and air conditioning systems and water

heating systems are held by each individual dwelling

unit owner, and with no heating, ventilation, or air

conditioning system or hot water heating system in the

series serving more than two dwelling units, as



certified by a registered design professional to the  
department; and

(7) Vacant land.

"Covered government building" means:

(1) Any building:

(A) That exceeds ten thousand square feet; and

(B) Is owned by the State or the county, or for which  
the State or the county regularly pays all of the  
annual energy bills; or

(2) Two or more buildings on the same tax lot that  
collectively meet the description in paragraph (1).

"Data center" means a room or rooms intended primarily for  
high density computing equipment, including server racks, used  
for data storage and processing.

"Department" means the department of business, economic  
development, and tourism.

"Dwelling unit" means a single unit consisting of one or  
more habitable rooms, occupied or arranged to be occupied as a  
unit separate from all other units within a building, and used  
primarily for residential purposes and not primarily for  
professional or commercial purposes.



1 "Energy" means electricity, natural gas, fuel oil, or  
2 steam.

3 "Energy efficiency grade" means a grade that is for a  
4 covered building and that is based on an energy efficiency score  
5 assigned through the benchmarking tool pursuant to this chapter.

6 "Energy efficiency score" means:

- 7 (1) The ENERGY STAR rating for a building; or  
8 (2) A score, assigned through the benchmarking tool, that  
9 assesses the energy use of a building relative to  
10 similar buildings.

11 "ENERGY STAR rating" means a rating for a building and that  
12 uses the United States Environmental Protection Agency ENERGY  
13 STAR portfolio manager to compare building energy performance to  
14 similar buildings in similar climates.

15 "Owner" means the owner of record.

16 "Owner" includes the board of directors of a:

- 17 (1) Condominium association; or  
18 (2) Cooperative housing corporation.

19 **§ -2 Energy efficiency scores and energy efficiency**  
20 **grades; list of grades.** (a) Energy efficiency scores and



1 grades for buildings shall be obtained, assigned, and disclosed  
2 pursuant to this chapter.

3 (b) A grade based on an energy efficiency score shall be  
4 assigned through the benchmarking tool pursuant to this  
5 subsection as follows:

6 (1) If the score is at least eighty-five, the energy  
7 efficiency grade shall be "A";

8 (2) If the score is at least seventy but less than  
9 eighty-five, the energy efficiency grade shall be "B";

10 (3) If the score is at least fifty-five but less than  
11 seventy, the energy efficiency grade shall be "C";

12 (4) If the score is less than fifty-five, the energy  
13 efficiency grade shall be "D";

14 (5) If the owner of the building has not complied with  
15 section -3, and the owner has had an opportunity to  
16 be heard with respect to the non-compliance, the  
17 energy efficiency grade shall be "F";

18 (6) If, pursuant to the rules adopted by the department,  
19 it is not feasible to obtain an energy efficiency  
20 score for the building, the energy efficiency grade  
21 shall be "N"; and



(7) If the building contains a data center, a television studio, or combination of both that exceeds ten per cent of the gross square footage of the building, the energy efficiency grade shall be "N".

**§ -3 Energy efficiency score and energy efficiency grade**

**required.** (a) Each year beginning in 2023, an owner of a covered building shall use the benchmarking tool to provide an energy efficiency score of the covered building to the department pursuant to rules adopted by the department unless, pursuant to those rules, the building is a type of building for which it is not feasible to obtain an energy efficiency score. Noncompliance with the requirements of this section by an owner of a covered building shall be a violation of this chapter. Each day of noncompliance shall constitute a separate violation.

(b) Each year, the department shall issue an energy efficiency grade to the owner pursuant to the department's rules.

**§ -4 Display of energy efficiency score and energy**

**efficiency grade.** (a) Except as provided in subsection (b), within thirty days after the owner of a covered building obtains an energy efficiency grade, the owner shall post the grade, and



1 the energy efficiency score upon which the grade was based, in a  
2 conspicuous location near each public entrance to the building,  
3 in a form and manner established by the department.

4 (b) This section shall not apply to posting of the energy  
5 efficiency score of a building with an energy efficiency grade  
6 of "N".

7 § -5 **Publication of energy efficiency grades and energy**  
8 **efficiency scores.** (a) Except as provided in subsection (b),  
9 no later than May 1 of the year following the year in which an  
10 energy efficiency grade or energy efficiency score is generated  
11 for a building pursuant to this chapter, the department shall  
12 make publicly available on the department's website the  
13 information generated in connection with the grade and score.

14 (b) This section shall not apply to information generated  
15 with respect to a building with an energy efficiency grade of  
16 "N".

17 § -6 **Audits.** (a) The department shall audit  
18 information submitted for buildings in connection with energy  
19 efficiency grades and energy efficiency scores. The audits  
20 shall be conducted at least annually and shall include an





1 appropriate sample size of buildings, as determined by the  
2 department.

3       **§ -7 Penalties.** A civil penalty of not more than  
4 \$10,000 may be imposed for each violation of this chapter. A  
5 separate additional civil penalty, as established by rule, may  
6 be imposed for each month that the violation is not corrected;  
7 provided that the monthly penalty shall not exceed \$250 per  
8 month.

9       **§ -8 Rules.** The department shall adopt rules, pursuant  
10 to chapter 91, necessary for the purposes of this chapter."

11       SECTION 2. (a) The department of business, economic  
12 development, and tourism shall review the value of the energy  
13 asset score in predicting energy performance for buildings,  
14 including recommendations as to whether, in what form, and in  
15 what manner the scores should be disclosed. The department  
16 shall submit a report of its findings and recommendations,  
17 including any proposed legislation, to the governor and the  
18 legislature no later than twenty days before the convening of  
19 the regular session of 2023.



1 (b) For purposes of this section, "energy asset score"  
2 means a score that evaluates the energy efficiency of a  
3 building's envelope and mechanical and electrical systems.

4 SECTION 3. There is appropriated out of the general  
5 revenues of the State of Hawaii the sum of \$ or so  
6 much thereof as may be necessary for fiscal year 2022-2023 for  
7 the administration of the new chapter established in the Hawaii  
8 Revised Statutes by this Act.

9 The sum appropriated shall be expended by the department of  
10 business, economic development, and tourism for the purposes of  
11 this Act.

12 SECTION 4. This Act does not affect rights and duties that  
13 matured, penalties that were incurred, and proceedings that were  
14 begun before its effective date.

15 SECTION 5. This Act shall take effect upon its approval,  
16 provided that section 3 shall take effect on July 1, 2022.

17  
INTRODUCED BY:  \_\_\_\_\_



# S.B. NO. 2590

**Report Title:**

DBEDT; Buildings; Efficiency; Scores; Grades; Appropriation

**Description:**

Requires energy efficiency scores and grades for certain buildings. Assigns powers and duties to the Department of Business, Economic Development, and Tourism. Requires the Department to submit to the Governor and Legislature a report on energy asset scores. Establishes penalties. Appropriates moneys.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

