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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           With one of the State's primary areas of focus being  
13 economic recovery and resilience in the wake of COVID-19, the  
14 legislature recognizes the importance of elevating Hawaii's  
15 growing clean energy industry, which can diversify the economy,  
16 create new jobs, contribute to workforce development, and help  
17 the State meet critical energy goals. The legislature also



1 finds that it is imperative for all state agencies to control  
2 their energy usage and lower their utility bills in the interest  
3 of being responsible with taxpayer dollars. Energy efficiency  
4 is the first and most cost-effective step in smart energy  
5 management and should be prioritized by every state agency.

6 Implementing energy efficiencies in state agencies allows  
7 the State to lead by example when it comes to energy efficiency  
8 initiatives and energy efficient design for new construction,  
9 which maximize the savings of taxpayer dollars that would  
10 otherwise be spent on utility bills.

11 Act 122, Session Laws of Hawaii 2019 (Act 122), states that  
12 "efforts taken by universities, public schools, executive  
13 departments, and other government entities have already begun to  
14 save taxpayers money by reducing the government's electricity  
15 costs." However, those efforts lack statewide coordination,  
16 preventing economies of scale to maximize savings. While some  
17 departments have made substantial progress, others have yet to  
18 commence meaningful activities. Additionally, Act 122 further  
19 states, regarding the Hawaii state energy office, that  
20 "[t]asking a single agency to plan for energy savings measures  
21 across all public facilities and assist government entities



1 already working to reduce energy costs is a necessary step to  
2 maximize taxpayer savings" and "[t]he legislature's intent is to  
3 establish in statute an energy agency . . . that will assist  
4 both the public and private sectors in achieving the State's  
5 energy goals." Consistent with this, the Hawaii state energy  
6 office is working with state agencies to assess opportunities to  
7 reach a target goal of a twenty-five per cent reduction in  
8 electricity consumption by 2025, from a 2005 baseline year,  
9 through the energy efficiency in state buildings project.

10 The purpose of this Act is to:

- 11 (1) Require state facilities, with the exception of  
12 smaller facilities, to implement cost-effective energy  
13 efficiency measures;
- 14 (2) Direct the Hawaii state energy office to collect all  
15 state-owned facilities' utility bill and energy usage  
16 data and make this data publicly available;
- 17 (3) Establish a goal for the State to achieve at least a  
18 twenty-five per cent reduction in the electricity  
19 consumption of state facilities;
- 20 (4) Provide that certain agencies that perform energy  
21 efficiency retrofitting may continue to receive a



1 certain amount of budget appropriations for energy  
2 expenditures; and  
3 (5) Beginning July 1, 2023, require, where feasible and  
4 cost-effective, the design of all new state building  
5 construction to maximize energy and water efficiency  
6 and energy generation potential and to use building  
7 materials that reduce the carbon footprint of the  
8 project.

9 SECTION 2. Chapter 196, Hawaii Revised Statutes, is  
10 amended by adding three new sections to part II to be  
11 appropriately designated and to read as follows:

12 **"§196- Energy efficiency implementation for state**

13 **facilities.** (a) State facilities shall implement

14 cost-effective energy efficiency measures as follows:

15 (1) Beginning on January 1, 2024, for all state facilities

16 that have not implemented section 36-41 since 2010;

17 and

18 (2) Beginning on January 1, 2026, for all other state

19 facilities;

20 provided that no entity shall claim tax credits or deductions,

21 or depreciate assets under title 14 for implementing energy



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1 efficiency measures pursuant to this section; provided further  
2 that nothing in this subsection shall prohibit facilities from  
3 implementing energy efficiency measures sooner than indicated  
4 under paragraph (1) or (2).

5 (b) State facilities with an area under ten thousand  
6 square feet shall be exempt from the requirements of  
7 subsection (a).

8 (c) For purposes of this section:

9 "Cost-effective energy efficiency measure" means any energy  
10 efficiency measure where the cost of the energy efficiency  
11 measure is equal to or less than the estimated savings over a  
12 period of twenty years or the life of the installed components,  
13 whichever is less.

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



1        §196-        Utility bills and energy usage data; state-owned  
 2 facilities.    The Hawaii state energy office shall collect all  
 3 utility bill and energy usage data for state-owned facilities  
 4 monthly and shall make this information available in a publicly  
 5 accessible format.

6        §196-        Reduction of electricity consumption of state  
 7 facilities.    It shall be the goal of the State to achieve at  
 8 least a twenty-five per cent reduction in electricity  
 9 consumption of state-owned facilities, using 2005 as the  
 10 baseline year."

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

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



1 contracts, or debt service, for the implementation and  
2 management of energy efficiency measures."

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

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

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

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



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, 2023, where feasible and  
5 cost-effective, the design of all new state building  
6 construction 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.

17

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





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**Report Title:**

Energy Efficiency; State Facilities; Hawaii State Energy Office;  
Building Design

**Description:**

Requires and establishes deadlines for state facilities, except smaller facilities, 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. Establishes a goal for the State to achieve at least twenty-five percent reduction in the electricity consumption of state facilities. Beginning 7/1/2023, 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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