

BILL022(22)
Testimony

MISC. COMM. 261

COUNCIL

COUNCIL Meeting

Meeting Date: Jul 6, 2022 @ 10:00 AM

Support: 13

Oppose: 0

I wish to comment: 1

Name: Don Shaw	Email: DonShawAIA@mac.com	Zip: 96795
Representing: Self	Position: Support	Submitted: Jul 1, 2022 @ 08:33 AM
Testimony: Speaking as an architect and as a former UH associate professor, I strongly support this bill.		
Name: Caroline Carl	Email: caroline.a.carl@leidos.com	Zip: 96817
Representing: Hawaii Energy	Position: Support	Submitted: Jul 1, 2022 @ 12:55 PM
Name: Michael Chang	Email: michael.chang@hawaiianelectric.com	Zip: 96840
Representing: Hawaiian Electric	Position: Support	Submitted: Jul 1, 2022 @ 04:18 PM
Name: Micah Munekata	Email: mmunekata@ulupono.com	Zip: 96813
Representing: Ulupono Initiative	Position: Support	Submitted: Jul 4, 2022 @ 09:04 PM
Name: Josh Stanbro	Email: josh@elmentalexcelerator.com	Zip: 96813
Representing: Elemental Excelerator	Position: Support	Submitted: Jul 5, 2022 @ 02:12 AM
Name: Julie Yunker	Email: jyunker@hawaiiigas.com	Zip: 96813
Representing: Hawaii Gas	Position: Support	Submitted: Jul 5, 2022 @ 08:31 AM
Name: Alyson Nakamura	Email: anakamura@abhi.com	Zip: 96813
Representing: Alexander & Baldwin	Position: Support	Submitted: Jul 5, 2022 @ 09:07 AM
Name: Bettina Mehnert	Email: bmehnert@ahl.design	Zip: 96813
Representing: AHL	Position: Support	Submitted: Jul 5, 2022 @ 09:53 AM
Name: James Burton	Email: james.burton@imt.org	Zip: 20036
Representing: Institute for Market Transformation	Position: Support	Submitted: Jul 5, 2022 @ 09:57 AM
Name: Elizabeth Stampe	Email: estampe@nrdc.org	Zip: 94123
Representing: Natural Resources Defense Council	Position: Support	Submitted: Jul 5, 2022 @ 10:48 AM
Name: Stefanie Sakamoto	Email: ssakamoto@imanaka-asato.com	Zip: 96789
Representing:	Position:	Submitted:

BIA Hawaii	I wish to comment	Jul 5, 2022 @ 11:10 AM
Name: Scott Glenn	Email: dbedt.energyoffice@hawaii.gov	Zip: 96813
Representing: Hawaii State Energy Office	Position: Support	Submitted: Jul 5, 2022 @ 05:39 PM
Name: Kauai Burgess	Email: kaburges@ksbe.edu	Zip: 96813
Representing: Kamehameha Schools	Position: Support	Submitted: Jul 5, 2022 @ 09:43 PM
Name: Joshua Stanbro	Email: joshua.stanbro@gmail.com	Zip: 96813
Representing: Elemental Exceleator	Position: Support	Submitted: Jul 6, 2022 @ 08:57 AM



Hawai'i Energy

45 North King Street, Suite 500 • Honolulu, Hawai'i 96817 • HawaiiEnergy.com • P: (808) 839-8880 • F: (808) 441-6068

Before the Honolulu City Council
Wednesday, July 6, 2022 at 10:00am

Testimony on Bill 22 relating to Building Benchmarking.

Chair Waters, Vice Chair Kia'aina, and Members of the Council:

Thank you for the opportunity to provide comments in support of Bill 22.

Hawai'i Energy works to empower island families and businesses on behalf of the Hawai'i Public Utilities Commission (PUC) to make smart energy choices to reduce energy consumption, save money, and pursue a 100% clean energy future. Energy efficiency is the cheapest option to help us achieve our 100% clean energy goal by eliminating waste and being more efficient. Hawai'i Energy provides technical and financial assistance to assist residents and businesses in becoming more energy efficient.

Hawai'i Energy applauds the City for taking the lead with the 2020 adoption of Ordinance 20-47 that established a municipal benchmarking policy for City facilities over 10,000 square feet. We support this bill's effort to establish a complementary building benchmarking program for commercial and multi-family buildings on O'ahu. Benchmarking is key for building owners and tenants to better understand how much energy and water they are using. Having good data is a gateway for owners to take advantage of energy- and water-saving measures, especially at this time when O'ahu is facing water and energy shortfalls along with rising energy prices.

Hawai'i Energy currently engages nonresidential building owners on a variety of levels to realize energy efficiency projects and has historically supported benchmarking for individual customers, as well as making Hawai'i-specific benchmarking available to the public.

Hawai'i Energy is willing provide technical assistance, such as training programs, to impacted businesses required to complete benchmarking activities as it is aligned with our mission. Hawai'i Energy has been engaged with the City's Office of Climate Change, Sustainability and Resiliency on the rollout of the building benchmarking program and is willing to continue its work with stakeholders to come up with the most cost-effective implementation plan.

We appreciate the efforts made by the City Council and the City & County of Honolulu to promote energy efficiency. Thank you for the opportunity to testify on Bill 22.

Sincerely,
Caroline Carl
Executive Director
Hawai'i Energy



TESTIMONY BEFORE THE HONOLULU CITY COUNCIL

BILL 22, CD 1 - BUILDING BENCHMARKING

Wednesday, July 6, 2022
10:00 am
City Council Chamber

Michael Chang
Manager, Strategic Analytics
Hawaiian Electric

Chair Waters, Vice Chair Kiaaina, and Councilmembers,

My name is Michael Chang and I am testifying on behalf of Hawaiian Electric in support of Bill 22, CD 1. Hawaiian Electric produces, purchases, and delivers the electricity which will be the predominate source of energy that property owners will be required to obtain to support meeting their benchmarking reporting requirements under the ordinance proposed in Bill 22, CD 1.

Energy benchmarking will provide a positive contribution towards achieving increased energy efficiency and resiliency for covered properties on O'ahu. Energy benchmarking can provide awareness of a covered property owner's energy use in relation to other covered properties and the trend of energy use to those stakeholders involved in the capital investment of energy consuming equipment as well as with those directly involved in the daily operations of buildings. The public presentation of the benchmarking results provides the addition of a market-driven motivation to take actions that reduce energy consumption and increase the utilization of renewable energy.

Hawaiian Electric has been in communication with the City's Office of Climate Change, Sustainability and Resiliency to better understand the program, provide

feedback and determine the systems, procedures, and ongoing support required in order to provide a positive experience of data collection and reporting activities for covered property owners.

We recognize that the covered property owners, who may not be our direct customers, will be faced with a new and ongoing requirement to acquire and submit electricity data to the ENERGY STAR Portfolio Manager. Hawaiian Electric is prepared to support the covered property owners with aggregated energy use in the ENERGY STAR Portfolio Manager Electric Meter Template Excel File format. Hawaiian Electric is committed to working with the stakeholders and continue to pursue improvements to the process of providing the energy data through more automated methods that will require additional time to develop and may include engagement with the Public Utilities Commission to identify the cost recovery mechanisms to deliver the new services.

Looking forward, Hawaiian Electric encourages the City & County of Honolulu to continue to coordinate with the State of Hawaii, counties, and the various energy providers to ensure clarity and commonality between this benchmarking program and future proposed benchmarking programs.

Mahalo for the opportunity to provide testimony.



Email: communications@ulupono.com

HONOLULU CITY COUNCIL REGULAR MEETING
Wednesday, July 6, 2022 — 10:00 a.m.

Ulupono Initiative supports Bill 22 (2022) CD1, Relating to Building Benchmarking.

Dear Chair Waters and Members of the Council:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food; renewable energy and clean transportation; and better management of freshwater and waste.

Ulupono supports Bill 22 (2022) CD1, which establishes a Better Buildings Benchmarking and Transparency Program ("Program") to further advance Honolulu's goal of carbon neutrality by 2045. The Program will establish a system for large commercial and multifamily buildings within the City and County of Honolulu to measure and report on their energy and water consumption annually.

Ulupono is supportive of energy efficiency measures to lower electricity consumption across the state. As proposed, the Program will provide a way to monitor progress toward the State's renewable energy, energy efficiency, and sustainability goals.¹ Additionally, the Program will help to reduce high electricity costs, with anticipated electricity bill savings of \$282 million over the next decade. As Hawai'i's electricity costs are expected to rise in the near-term², Ulupono sees the value of measuring and tracking energy usage as a first step to reduce energy consumption, lower overall electricity costs, and eliminate energy "waste."

As Hawai'i's energy issues become increasingly complex and challenging, we appreciate the City and County of Honolulu's efforts to look at policies that reduce the overall energy demand, which in return will result in lower electricity bills, thus mitigating the high cost of living and doing business in Hawai'i. This bill is also an effective way of dealing with split incentives—the building owners largely decide what equipment and fixtures are installed, and yet it is the tenants who ultimately pay (whether directly or indirectly) the power and water bill.

¹See Act 155, Sessions Laws of Hawai'i 2009 (Act 155), codified under 269-96 Hawai'i Revised Statutes, which established the State's energy efficiency goals into an Energy Efficiency Portfolio Standard (EEPS). As specified in HRS 269-96, the statewide EEPS goal is 4,300 gigawatt-hours (GWh) of electricity savings by 2030.

²See Hawaiian Electric Newsroom, "Driven up by Russian invasion, oil prices will push electric bills higher in coming months," March 10, 2022. <https://www.hawaiianelectric.com/driven-up-by-russian-invasion-oil-prices-will-push-electric-bills-higher-in-coming-months>

Investing in a Sustainable Hawai'i

Increasing transparency on building energy and water use will help to better align those incentives.

In addition, this bill is aligned with recent Honolulu City Council legislation and efforts to expand energy efficiency initiatives and promotes climate positive opportunities that support a more resilient Hawai'i. Meeting the State's clean energy goals will require everyone's commitment. As such, the County should establish policies, such as the Better Buildings Benchmarking and Transparency Program, to best support Hawai'i's clean energy future. We appreciate the Council's attention to our climate crisis and look forward to ways in which we can streamline energy efficiency and savings, including an expedited start to this Program.

Respectfully,

Micah Munekata
Director of Government Affairs

*Note: Ulupono Initiative values this measure before the Council today and appreciates the opportunity to testify; however, we are unable to attend in person due to concerns around COVID-19. Thank you for your understanding.



Testimony of Elemental Excelerator to the City and County of Honolulu Council

in consideration of Bill 22 CD1, July 6, 2022

Dear Chair Waters, Vice Chair Kia‘āina and members of the Council:

Elemental Excelerator respectfully submits our **support** for Bill 22 CD1, while continuing to urge the Council to accelerate rather than delay the timetable for a clean economy.

Elemental Excelerator is a Honolulu-based non-profit organization that supports climate positive startup companies that help solve Hawai‘i’s most urgent environmental problems. Each year, we select 15-20 companies that best fit our mission and fund each company with up to \$1 million in investment. To date, we have awarded over \$48 million to 135 companies, and additionally supported 80 new tech demonstration projects right here in Hawai‘i & the Asia Pacific. Bill 22 CD 1 will reduce energy costs, open opportunities for businesses offering climate tech solutions and expand green jobs to local residents working for these companies.

Bill 22 CD 1 offers many positive changes and amendments to the original version, with one exception. The positive changes include: clearer definitions for all parties; improved process explanations; and, adjustments of timelines that will improve implementation. Elemental Excelerator strongly supports all of the adopted amendments contained in Bill 22 CD 1 save one: delaying the implementation date for benchmarking buildings between 25,000 and 50,000 square feet to June 30, 2025—over three years from now. While the initial reporting date adjustments for 100,000 square feet and 50,000 square feet buildings make good sense, delaying full implementation of the program by providing additional year for the smaller buildings doesn’t comport with the urgency of the climate crisis, what the science is telling us, and the reality of a fresh water crisis and energy demands that are already upon us.

While we continue to strongly believe that the original Bill 22 timeline for full implementation should be retained for buildings under 50,000 square feet, we support the passage of Bill 22 CD1 as written to get a basic policy on building benchmarking moving.

Adopting Bill 22 CD1 is a critical step towards supporting the climate goals set up by this Council in the unanimously approved Honolulu Climate Action Plan, the O‘ahu Resilience Strategy, and the statutory requirement under Ordinance 20-47 to achieve net negative carbon emissions by 2045. Importantly, the adoption of Bill 22 CD1 and the establishment of an energy and water benchmarking program for large buildings within the City and County of Honolulu will bring transparency and help support the transition of our island to an energy-independent, modern, clean economy.

Buildings are responsible for approximately one-third of all greenhouse gas emissions on O'ahu, the second highest source of emissions on the island. O'ahu's climate goals cannot be reached without a policy to address and gradually reduce building energy use. Dozens of Elemental Excelerator's clean energy start-ups directly address energy monitoring, energy efficiency, and energy storage in buildings—and are eager to offer solutions that create green jobs as well as save building owners and tenants money on utility bills. Bill 22 CD1 is designed to make energy and water data easier to access, to track, and to guide decision-making, and help building owners and operators to take advantage of energy and water efficiency solutions that are readily available from local companies.

Dozens of other cities and states have already adopted benchmarking, and this simple data transparency has led to rapid energy efficiency gains of 3-5%. This is a simple and straight forward process that many responsible building owners and operators already do here in Honolulu. Moving the entire market toward transparency and a 3-5% gain will translate to tons of emissions reduction and millions of dollars in monetary savings for our community. In an era where every single barrel of imported oil that is eliminated keeps over 100 dollars at home in the local economy—and reduces human harm in other countries overseas—the energy savings resulting from Bill 22 CD1 will make us more self-sufficient and do our part to transition the world away from a reliance on fossil fuels. Importantly, Bill 22 CD1 will also help conserve fresh water on our island as we respond to drought and the recent pollution pressures at Red Hill on our aquifers, by eliminating water waste in our buildings and helping to stretch resources for our residents.

Elemental Excelerator has helped support dozens of climate tech solution companies that create good jobs, help transition our economy to 100% clean energy, and lower the energy burden for companies and households throughout the islands. Bill 22 CD1 is an important policy step forward to continue to foster the innovation and new business entrepreneurs that are transitioning our economy, meeting our climate goals, creating green jobs, and cutting the cost of living for local residents and consumers.

Elemental Excelerator supports the passage of Bill 22 CD1 today, and encourages the Council to consider restoring the original timeline for building energy benchmarking for buildings under 50,000 square feet.

Thank you for the opportunity to testify.



July 6, 2022

The Honorable Tommy Waters, Chair
The Honorable Esther Kiaʻāina, Vice Chair
Members of the City Council,
City and County of Honolulu
Honolulu, Hawaii 96813

RE: Bill 22 CD1 (2022) - Relating to Building Benchmarking

Aloha Chair Waters and Members of the Council,

Thank you for allowing Hawaiʻi Gas to provide testimony **in support of Bill 22 CD1 (2022).**

Despite representing less than 1% of the greenhouse gases emitted into Hawaii's atmosphere, Hawaii Gas is committed to doing our part to reduce the effects of climate change on our state and the planet, and we are making great strides. We already produce clean, renewable, affordable and reliable energy, including solar. Hawaii Gas currently generates Renewable Natural Gas (RNG) at the Honouliuli Wastewater Treatment Plant, as well as hydrogen at our Synthetic Natural Gas (SNG) facility in Campbell Industrial Park. We have been providing Hawaii residents and businesses a cleaner, more affordable energy choice for 115 years.

Implementation Timeline:

Hawaii Gas will be upgrading its Customer Information System which is scheduled to begin in the fourth quarter of this year. The upgrade is a major overhaul of the current customer data system and once completed will allow Hawaii Gas to provide more accurate gas customer data more efficiently to support the requirements of this ordinance. Hawaii Gas respectfully requested the committee amend the benchmarking schedule to allow us to work out any issues with the new system, train our internal staff on using the new system and address any challenges with providing legacy customer data.

This program transition will take time to be implemented correctly and amending the benchmarking schedule will give Hawaii Gas a chance to provide clear and concise data which is a key cornerstone of benchmarking efforts.

The amendments proposed in "Sec. -1.1 Benchmarking Schedule" to the reporting timeline addresses this concern and we urge adoption of this amendment.



Hawaii Gas appreciates the intent of this bill and the collaborative work the Office of Climate Change, Sustainability and Resiliency has done in conjunction with us and other stakeholders. By doing so, they have crafted a bill that is key to beginning to understand the usage of key resources across Oahu.

Based on our concern as described above, Hawaii Gas urges you to adopt Bill 22 CD1 (2022).

Mahalo for your consideration.



ALEXANDER & BALDWIN

Testimony in support of Bill 22, relating to Building Benchmarking

July 6, 2022

Dear City and County of Honolulu City Council:

Thank you for the opportunity to provide testimony regarding Bill 22, which proposes the creation of a building benchmarking program within the City and County of Honolulu.

As part of the Hawai'i community for over 150 years, A&B is committed to sustainability and preserving our island resources. We consider benchmarking to be an important tool to improve efficiency and combat climate change and recently incorporated benchmarking within our own commercial real estate portfolio. As such, we endorse efforts to create a benchmarking program that champions sustainability and is fair to all stakeholders.

Given the importance of benchmarking to achieving Hawai'i's goals for reducing greenhouse gas emissions, Alexander & Baldwin supports the passage of Bill 22 in its amended form.

We appreciate the constructive collaboration among the City Council, the Office of Climate Change, Sustainability and Resiliency and stakeholder groups on Bill 22, which has resulted in a bill that achieves our shared environmental and climate objectives while taking into account the perspectives of property owners.

Thank you again for the opportunity to provide testimony.

Alyson J. Nakamura
Vice President, Governance & Sustainability



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Frederick Hong AIA, LEED AP
Deirdre Stearns AIA, LEED AP
Teri A. Patton Assoc. IIDA, LEED AP

July 5, 2022

TO: Chair Tommy Waters
Honolulu City Council
City and County of Honolulu

SUBJECT: Support for Bill 22, RELATING TO BUILDING BENCHMARKING,
July 6, 2022, 10:00 AM hearing

Aloha Chair Waters, Vice-Chair Kia'aina, and Members of the City Council,

On behalf of AHL, we are testifying in support of Bill 22, which establishes a better building benchmarking and reporting requirement for energy and water usage of covered properties within the City and County of Honolulu.

Our islands are facing a water crisis, between the drought caused by climate change to the Red Hill shutdown, and benchmarking will help find ways to conserve water. Drastically cutting our carbon emissions is a necessary part of addressing climate change, the effects of which are already here. As architects, we understand measuring and tracking energy and water use is the first step in understanding opportunities to reduce energy and eliminate waste. Building benchmarking is that first step that will give us the tools necessary to help protect our island home.

The building sector is the largest consumer of energy on O'ahu, accounting for roughly one-third of the island's greenhouse gas emissions. Measuring and tracking energy and water usage is a necessary first step in reducing overall consumption, eliminating waste, and lowering energy costs.

At a time when Hawai'i is experiencing rising electricity costs and an ongoing water crisis, the proposed benchmarking and reporting requirements in Bill 22 will help improve energy efficiency efforts and conserve water. This is a vital step to reaching our state's overall goal of 100% renewable energy by 2045.

Please pass BILL 22 to support Hawai'i's clean energy future.

Thank you for considering our testimony.

Bettina Mehnert, FAIA, LEED AP
President and CEO

Deirdre Stearns, AIA, LEED AP BD+C
Director of Sustainability



Proposal Description
Date, Page **2** of **2**
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DESIGN THAT INSPIRES

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IMT.org

Honolulu Testimony – Bill 22(2022)

Chair & Presiding Officer Waters, Vice Chair Kia'aina, and members of the City Council, thank you for the opportunity to testify. My name is James Burton and I am an employee of the Institute for Market Transformation (IMT), which I am representing with my testimony today. As a national nonprofit supporting energy efficiency in buildings, IMT supports the adoption of Bill 22(2022) by the City Council of Honolulu.

To date, over 40 U.S. local and state governments are implementing building energy benchmarking and transparency ordinances, akin to Bill 22(2022). IMT has acted and continues to act as an adviser to many of these cities, including the City and County of Honolulu.

By instituting a benchmarking and transparency policy, Bill 22(2022) represents an important step toward Honolulu's goals of increasing energy efficiency, reducing greenhouse gas emissions, creating local job opportunities, and improving economic outcomes for local communities.

The tool to be used for benchmarking, Energy Star Portfolio Manager, is a free US Government resource that advises first time users of the system will need 2 hours to create an account and input their data for their first year of compliance. For buildings already benchmarking, using this tool this would only take 30 minutes to input the necessary data. Over 300 buildings in Honolulu are currently using the tool. The data needed to use this tool is simple, building owners and managers should already be monitoring these variables such as: workforce size, number of computers, and hours of operation. Gathering the necessary data for benchmarking each year would require between 2-8 hours of in-house labor for building owners or managers. There are contractors that specialize in collecting benchmarking data, if building owners are not able to do this themselves. Contractor fees range between \$300 - \$1,200 per year.

Energy Savings:

Buildings are responsible for 40% of the USA's total energy consumption (often accounting for more than the total energy usage of many other countries as a whole), and it is clear that benchmarking and data transparency policies help reduce building energy usage. The US Environmental Protection Agency found

that buildings that benchmarked for three years saw reduced energy consumption per year of 2.4%.

Cities with benchmarking and transparency ordinances have seen similar results. Seattle reported a 3% reduction in energy consumption from 2014-2015. Minneapolis reduced its energy consumption by 3.4% from 2014-2016. New York City found that from 2010-2015, benchmarked buildings realized 10% energy savings. These savings in energy costs cycle directly back to building owners and their tenants. Based on the results in other cities, it is reasonable to expect similar savings to accrue to the residential and commercial segments of the Honolulu real estate market, should Bill 22(2022) be adopted.

Local Job Growth:

A benchmarking and transparency policy encourages a strong energy services market. Once the policy is in place, and building performance information is available, owners and energy service vendors will have a better understanding of which buildings are most viable for energy upgrades and the first steps that owners can take to improve their performance. This can support secure local job creation. Estimates suggest that in Philadelphia over 5,000 of its commercial buildings require energy efficiency upgrades, representing an investment opportunity of \$600 million – enough to support 23,000 jobs.

Community Benefits:

As awareness of our climate predicament spreads, and as many Honolulu residents grapple with an uncertain economic environment in which steep increases in housing costs have greatly outpaced wage growth, more people are looking for energy-efficient houses and apartments. They know these homes cost less to own, operate, live in, and make for more comfortable and safer living environments. Access to information about the energy performance of commercial and multifamily buildings will help tenants, prospective buyers and investors make more informed, and therefore better, decisions about where they live and how they spend their money. The transparency of the data allows the City to show communities how it is pushing for change that benefits them.

The sharing of data collected as part of benchmarking will allow the City to award innovation and help Honoluluans make more informed decisions about the buildings they lease, own, and occupy. This will provide a natural incentive for property owners to make energy-related improvements to their properties,

thus reducing energy consumption, greenhouse gas emissions and lowering the energy cost burden on residents.

Conclusion:

Benchmarking and transparency policy can help Honolulu in a multitude of ways. IMT firmly believes Bill 22(2022)'s adoption is a critical milestone in Honolulu's journey toward a more profitable, healthier, cleaner future.

July 5, 2022

The Honorable Tommy Waters, Chair
and Members
Honolulu City Council
Honolulu City Hall
530 South King Street
Honolulu, Hawai'i 96813

Dear Chair Waters and Members of Council:

Re: Support for Bill 22, Building Benchmarking

The Natural Resources Defense Council (NRDC) works to ensure the rights of all people to clean air, clean water, and healthy communities; on behalf of this goal, and our 7,500 Honolulu members, **we are writing to strongly support your adoption of Bill 22**, which will establish a better buildings benchmarking and reporting requirement for energy and water usage of covered properties within the City and County of Honolulu.

Bill 22 will help realize climate goals and reduce costs. Bill 22 will enable building owners and the City to measure and track building energy and water use, to help better manage costs and improve energy and water efficiency. It is an important step to reduce energy waste and carbon emissions, and secure the supply of precious drinking water.

The energy used in buildings is Honolulu's second-largest source of greenhouse gas emissions. Energy use in buildings (most commonly for water heating, air conditioning, and lighting) is the source of 35% of emissions citywide, according to the City's 2019 GHG inventory.

If passed, this benchmarking policy is projected to help **save 1.7 million metric tons of CO₂** by 2045. Passing this policy will bring Honolulu one important step closer to reaching its Climate Action Plan goal to reduce greenhouse gas (GHG) emissions by 45 percent by 2025 and put the city on the path to carbon neutrality by 2045.

Energy use is the highest operating cost of owning a building; benchmarking helps building owners manage that cost and reduce it.

Benchmarking and transparency can also help tenants reduce costs. This is a strong consumer protection tool: potential residential and commercial tenants can estimate likely utility bills for better budgeting and more informed decisions. Transparency can also help utilities and public programs identify how to support the lowest-performing buildings and energy-burdened

communities.

Benchmarking and transparency for energy use is a proven strategy, used since 2008.

If Honolulu's City Council approves this policy, it will follow in the footsteps of
46 other U.S. cities, counties, and states.

Cities like Minneapolis, Denver, and Chicago have seen energy savings of 3-5% soon after policy passage, as this tracking encourages building owners and managers to make their own cost-wise improvements.

Honolulu is improving on this tried-and-true approach by also tracking water use.

Right now, Honolulu residents are more aware than ever of the need to save precious clean water given the contamination of freshwater at Red Hill. Supporting water conservation community-wide will go a long way to safeguard residents' drinking water supply over time.

The City Council has clearly paved the way for this policy:

In December 2020, Council passed Bill 65 (now **Ordinance 20-47**) to require that the City benchmark energy and water use in City-owned buildings above a certain threshold, enabling the City to test-run a benchmarking program and lead by example.

In June 2021, the City Council passed the **2020-2025 Climate Action Plan**, in which building efficiency and benchmarking were identified as key to dramatically reducing Honolulu's GHG emissions.

In addition, this is being supported by the [American Cities Climate Challenge](#), as one of the climate actions Honolulu has set out to accomplish; we are pleased to have been able to support this work with technical information and capacity, and applaud the City's progress on this foundational step.

Now, City Council can deliver on this promise in order to lower emissions, save residents money, and conserve precious water for all.

NRDC urges this Council to take this smart step toward making Honolulu a more resilient, affordable and sustainable city and pass Bill 22.

Mahalo,

Elizabeth Stampe
City Strategist for Honolulu
American Cities Climate Challenge
Natural Resources Defense Council



**HONOLULU CITY COUNCIL
Honolulu Hale
10:00 am**

July 6, 2022

RE: Bill 22, Relating to Building Benchmarking

Chair Waters, Vice Chair Kiaaina, and members of the Council:

My name is Daryl Takamiya, 2022 President of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii. Our members build the communities we all call home.

BIA-Hawaii offers the following comments regarding Bill 22 CD1, Relating to Building Benchmarking. This bill would establish a building benchmarking and reporting requirement for all buildings exceeding 25,000 sq. ft. to provide energy and water usage data.

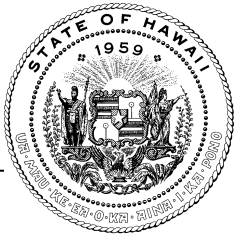
The CD1 version of Bill 22 addresses many major concerns, however we still have questions regarding the implementation of the program. While we understand the need for data collection with regards to energy and water usage, we have concerns on the administration and enforcement of this program. This mandate would require building owners to provide annual reports, which would need to be gathered and compiled by building owners, and includes penalties for non-compliance. It remains unclear what information needs to be provided and what standards, if any, building owners would need to meet.

Further, we have concerns regarding privacy of the data itself. The bill is silent on where the data will "live", how it will be protected, and what it will be used for.

We would further suggest that a robust information system and ample training period be provided for those who will need to comply. Without that, it would be unfair to penalize building owners for non-compliance.

Hawaii is in a major housing crisis, which has only worsened over time. Rather than placing further mandates on businesses, perhaps there are better ways to incentivize the market to move further in this direction, without negatively impacting local families. **The cost of housing in Hawaii is extremely high, with Oahu's median price of homes being currently over \$1 million.** Mandates usually represent added cost and time to businesses, especially in this time of economic recovery and Hawaii's severe housing crisis.

Thank you for the opportunity to share our concerns.



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

DAVID Y. IGE
GOVERNOR

SCOTT J. GLENN
CHIEF ENERGY OFFICER

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energy.hawaii.gov

Testimony of
SCOTT J. GLENN, Chief Energy Officer

before the
CITY COUNCIL
CITY & COUNTY OF HONOLULU

Wednesday, July 6, 2022
10:00 AM
City Council Chamber

SUPPORT
Bill 22 (2022), CD1
RELATING TO BUILDING BENCHMARKING.

Chair Waters, Vice Chair Kia'āina, and Members of the City Council, the Hawai'i State Energy Office (HSEO) supports Bill 22 (2022), CD1, which establishes a better buildings benchmarking reporting requirement for energy and water usage of properties exceeding 25,000 square feet in gross floor area within the City and County of Honolulu.

Benchmarking measures a building's energy use against comparable buildings. Hawai'i currently has policies in place to benchmark public facilities and buildings. For Hawai'i to reach its clean energy goals, large commercial and multifamily properties also must be required to benchmark their buildings. This will allow large commercial and multifamily building owners to understand their building's energy performance and identify areas where energy can be saved. Improvements can then be made to lower the cost of operating the building. In doing so, energy consumption will decrease.

According to the U.S. Department of Energy, "Commercial building energy performance benchmarking is a foundational element of an organization's energy management strategy - because you can't manage what you don't measure. Across many commercial building markets, the practice has become standard operating procedure as energy costs and associated environmental and sustainability issues have raised awareness around the importance of energy management." There are over 30

jurisdictions in the country that have adopted commercial building energy and transparency policies.

HSEO also believes that sharing benchmarking data can encourage the large commercial and multifamily buildings markets to recognize and reward energy efficiency while creating a continuous cycle of improvement and demand for high-performing buildings. To achieve the State's clean energy goals and to lead by example, commercial buildings have and can continue to join the over 100 public buildings in Hawai'i that are ENERGY STAR labeled. HSEO supports benchmarking and data sharing and is aware of concerns regarding confidentiality; HSEO supports measures to address this concern and is ready to collaborate with the City and County in implementing, looking at examples from other cities such as Miami, San Diego and San Francisco on this measure, should it become law.

Thank you for the opportunity to testify.



Kamehameha Schools®

City Council
City and County of Honolulu

Time: 10:00 a.m.
Date: July 6, 2022
Where: City Council Chamber

TESTIMONY
by Kau'i Burgess
Director of Community & Government Relations

RE: **Bill 22 (2022), CD1 – Relating to Building Benchmarking**

Aloha e ka Luna Ho‘omalua Waters, ka Hope Luna Ho‘omalua Kia‘āina, a me nā Lālā o ka ‘Aha o ke Kūlanakauhale a me ke Kalana o Honolulu.

Kamehameha Schools **supports Bill 22, CD1**, establishing a building benchmarking program for energy and water usage for certain properties in Honolulu.

The resilience of Hawai‘i’s communities directly impacts the ability of our keiki to succeed in their educational journeys and in life. The sustainable production and use of energy and water resources, particularly in our built environments, is one essential component of greater resilience. Having a deeper understanding of our buildings’ energy and water consumption helps us take proactive steps to make that use more efficient.

Accordingly, Kamehameha Schools has independently benchmarked some of the buildings we manage to help us reduce energy and water use at those sites and we support establishing a broader building benchmarking program to promote more efficient energy and water use in covered buildings across O‘ahu. We believe the proposed building benchmarking program will be successful in improving the efficiency of energy and water use by making related data more available to owners, tenants, utilities, regulators, and the public. If enacted, we are committed to collecting and reporting upon the data available to us and we look forward to working with the City to ensure the program’s rollout is successful across our covered properties.

Founded in 1887, Kamehameha Schools is an organization striving to advance a thriving Lāhui where all Native Hawaiians are successful, grounded in traditional values, and leading in the local and global communities. We believe that community success is individual success, Hawaiian culture-based education leads to academic success and local leadership drives global leadership. **Hānai i ke keiki, ola ka lāhui; Nurture the child and the people thrive.**



Testimony of Elemental Excelerator to the City and County of Honolulu Council

in consideration of Bill 22 CD1, July 6, 2022

Dear Chair Waters, Vice Chair Kia‘āina and members of the Council:

Elemental Excelerator respectfully submits our **support** for Bill 22 CD1, while continuing to urge the Council to accelerate rather than delay the timetable for a clean economy.

Elemental Excelerator is a Honolulu-based non-profit organization that supports climate positive startup companies that help solve Hawai‘i’s most urgent environmental problems. Each year, we select 15-20 companies that best fit our mission and fund each company with up to \$1 million in investment. To date, we have awarded over \$48 million to 135 companies, and additionally supported 80 new tech demonstration projects right here in Hawai‘i & the Asia Pacific. Bill 22 CD 1 will reduce energy costs, open opportunities for businesses offering climate tech solutions and expand green jobs to local residents working for these companies.

Bill 22 CD 1 offers many positive changes and amendments to the original version, with one exception. The positive changes include: clearer definitions for all parties; improved process explanations; and, adjustments of timelines that will improve implementation. Elemental Excelerator strongly supports all of the adopted amendments contained in Bill 22 CD 1 save one: delaying the implementation date for benchmarking buildings between 25,000 and 50,000 square feet to June 30, 2025—over three years from now. While the initial reporting date adjustments for 100,000 square feet and 50,000 square feet buildings make good sense, delaying full implementation of the program by providing additional year for the smaller buildings doesn’t comport with the urgency of the climate crisis, what the science is telling us, and the reality of a fresh water crisis and energy demands that are already upon us.

While we continue to strongly believe that the original Bill 22 timeline for full implementation should be retained for buildings under 50,000 square feet, we support the passage of Bill 22 CD1 as written to get a basic policy on building benchmarking moving.

Adopting Bill 22 CD1 is a critical step towards supporting the climate goals set up by this Council in the unanimously approved Honolulu Climate Action Plan, the O‘ahu Resilience Strategy, and the statutory requirement under Ordinance 20-47 to achieve net negative carbon emissions by 2045. Importantly, the adoption of Bill 22 CD1 and the establishment of an energy and water benchmarking program for large buildings within the City and County of Honolulu will bring transparency and help support the transition of our island to an energy-independent, modern, clean economy.

Buildings are responsible for approximately one-third of all greenhouse gas emissions on O'ahu, the second highest source of emissions on the island. O'ahu's climate goals cannot be reached without a policy to address and gradually reduce building energy use. Dozens of Elemental Excelerator's clean energy start-ups directly address energy monitoring, energy efficiency, and energy storage in buildings—and are eager to offer solutions that create green jobs as well as save building owners and tenants money on utility bills. Bill 22 CD1 is designed to make energy and water data easier to access, to track, and to guide decision-making, and help building owners and operators to take advantage of energy and water efficiency solutions that are readily available from local companies.

Dozens of other cities and states have already adopted benchmarking, and this simple data transparency has led to rapid energy efficiency gains of 3-5%. This is a simple and straight forward process that many responsible building owners and operators already do here in Honolulu. Moving the entire market toward transparency and a 3-5% gain will translate to tons of emissions reduction and millions of dollars in monetary savings for our community. In an era where every single barrel of imported oil that is eliminated keeps over 100 dollars at home in the local economy—and reduces human harm in other countries overseas—the energy savings resulting from Bill 22 CD1 will make us more self-sufficient and do our part to transition the world away from a reliance on fossil fuels. Importantly, Bill 22 CD1 will also help conserve fresh water on our island as we respond to drought and the recent pollution pressures at Red Hill on our aquifers, by eliminating water waste in our buildings and helping to stretch resources for our residents.

Elemental Excelerator has helped support dozens of climate tech solution companies that create good jobs, help transition our economy to 100% clean energy, and lower the energy burden for companies and households throughout the islands. Bill 22 CD1 is an important policy step forward to continue to foster the innovation and new business entrepreneurs that are transitioning our economy, meeting our climate goals, creating green jobs, and cutting the cost of living for local residents and consumers.

Elemental Excelerator supports the passage of Bill 22 CD1 today, and encourages the Council to consider restoring the original timeline for building energy benchmarking for buildings under 50,000 square feet.

Thank you for the opportunity to testify.