

State pledges green future

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A \$300M plan to convert public buildings to clean energy will create 5,000 jobs, officials predict

By Allison Schaefer



A plan to be unveiled today to more than double the energy efficiency in state and Honolulu County buildings could add 5,000 new jobs to Hawaii's economy by 2015 and bolster efforts to meet aggressive clean-energy goals.

The state planned to make a commitment to more energy efficiency at the Clinton Global Initiative America meeting in Chicago hosted by former President Bill Clinton.

The annual event, which includes some of the nation's top business, government and civil service leaders, is to focus on finding solutions that promote economic recovery in the United States.

Hawaii pledged to do its part by investing more than \$300 million to execute more energy savings performance contracts, which offer contractually guaranteed savings for comprehensive energy, water efficiency and operational improvements, with private sector partners. The commitment is expected to bring the state closer to reaching its 2030 goal of reducing energy use by 30 percent, while ensuring that 40 percent of its electricity sales come from renewable sources. The state expects energy savings to pay for the effort, which is slated to begin July 1 and run through June 30, 2015.

"This is a great opportunity for Hawaii to share our path to energy self-sufficiency and a clean-energy economy, while also learning what others are doing to solve their energy issues," said state Energy Administrator Mark Glick, who is attending the two-day CGI.

BY THE NUMBERS

50 MILLION

Kilowatt-hours saved yearly, enough to power about 7,000 homes annually

\$300 MILLION

Cost to execute energy savings performance contracts

2015

Year project to be completed

According to the commitment that Hawaii submitted to CGI, energy efficiency improvements are anticipated to take place at the Department of Transportation's 15 airports, state Department of Public Safety's prisons and jails, the University of Hawaii-Hilo's 30 buildings, the City and County of Honolulu Board of Water Supply and its largest wastewater treatment plants, among other sites.

Work at these buildings is expected to create a range of new clean-energy jobs for engineers, building operators, equipment installers and building maintenance operators; however, the economic stimulation also could create jobs in other sectors. That's good news for clean energy, which is one of the fastest growing and most important industries in Hawaii, said Jeff Mikulina, CEO of Blue Planet Foundation, a nonprofit formed in 2007 to make Hawaii a role model for clean-energy solutions.

"They say upwards of 25 percent of construction jobs are in the solar and photovoltaic business in Hawaii," Mikulina said. "That's about 2,000 to 3,000 jobs. It would be great to see even more jobs created."

Karen Nakamura, CEO of the Building Industry Association of Hawaii, said more clean-energy jobs are needed to boost the construction industry, which was severely affected by the last downturn in real estate development. A backlog of state Department of Transportation projects, which have been funded but are not ready to go out to bid, also has delayed recovery of the construction sector.

"The construction industry still has more than 20 percent of its workforce unemployed," said Nakamura, whose trade organization represents builders, developers, contractors, suppliers and construction associates. "With the amount of unemployment, it would be good to see more clean-energy jobs, which create opportunities for construction workers who deal with building insulation, installation of more efficient air conditioning and windows, plumbing and more."

However, Nakamura cautions that the jobs may not materialize if the state does not subcontract with private engineering firms to get the projects created so that they can go to bid in a timely fashion.

"Some state departments take years to get the projects out," she said. "It's really frustrating."

According to Hawaii's CGI commitment, the state's energy office is poised to provide state and county agencies with technical assistance, including review of proposals, help with preparing baseline data and review of investment grade audits as well as legal review, education and information. State specialists will review contracts and assist with monitoring and verifying cost and energy savings.

Hawaii's commitment estimates that providing this technical assistance to government agencies would cost between \$300,000 to \$700,000. Previous funding came from the American Recovery and Reinvestment Act and additional money has been requested through the state budget, subject to Legislative approval.

Mikulina, who was at the CGI event, said Hawaii already is a recognized leader in performance-based contracting.

"The state has lead by example. They've had a similar program in place for years, but there's always room to dive deeper into efficiencies and find more savings, which is a win-win for energy goals and taxpayers," he said.

According to Mikulina, the state already saves approximately 48.5 million kilowatt-hours of energy a year through other contracts with private energy companies that have retrofitted or outfitted government buildings. Likewise, the state paid for these systems with the savings on its energy bills.

"I assume that they'll keep doing what they've been doing only on steroids," he said. "If that's the case, this would be a great thing for Hawaii."

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