



## **HAWAII RURAL SMALL BUSINESS AND AGRICULTURAL PRODUCER ENERGY AUDITS FREQUENTLY ASKED QUESTIONS (FAQS)**

**The State of Hawaii, Department of Business, Economic Development, and Tourism (DBEDT) has received a grant from the U.S. Department of Agriculture (USDA) to conduct investment grade energy audits for agricultural producers in rural and non-rural areas and for small businesses in rural areas of Hawaii, Honolulu and Maui counties.**

### **1. What is an energy audit?**

An energy audit is a report, conducted by a Certified Energy Manager or Professional Engineer that focuses on potential energy savings opportunities and capital-intensive projects and involves detailed gathering of field data and engineering analysis. The report will provide detailed project costs and savings information with a high level of confidence sufficient for major capital investment decisions. It will estimate costs, expected energy savings from the subject improvements, and dollars saved per year. The report will estimate weighted average payback period in years (7CFR3180.103).

### **2. How do I apply for an energy audit?**

An energy audit application is available online at the State Energy Office's website <http://energy.hawaii.gov/energy-audit-opportunities>

Download the application from the website, complete the application and fax or e-mail the completed application to 608-233-7262 or [bethany.reinholtz@gdsassociates.com](mailto:bethany.reinholtz@gdsassociates.com).

Questions about the application and application process can be directed to Bethany Reinholtz at 800-441-8525 or [bethany.reinholtz@gdsassociates.com](mailto:bethany.reinholtz@gdsassociates.com).

### **3. Why should I get an energy audit?**

An energy audit can identify many ways to lower operating costs through energy savings and make your business more viable. An energy audit details where energy is used, identifies specific measures to reduce energy use and/or cost of operating a facility, and makes specific recommendations on ways energy and money can be saved.

**4. What happens during an energy audit?**

During an investment-grade energy audit, the facility manager, as well as other key personnel, will walk through the facility with an energy auditor. The auditor will note all energy-using equipment; discuss current operations and maintenance practices with the facility manager; and document occupancy schedules and future plans that the facility may have. With approval from the facility manager, the auditor will document existing conditions of the facility (through photographs / measurements) and collect historical utility information from the facility manager or operator.

**5. How long does the energy audit take?**

The energy audit site visit may take anywhere from two (2) to four (4) hours to gather information needed to complete an energy audit report.

**6. Do I need to be present for the audit?**

Yes, it is recommended that the business owner and/or facility manager be present during the audit to answer questions that the auditor may have and to ask any questions as they come up. This will also help the auditor to get a full understanding of business operations, concerns, and future plans of the business.

**7. What will an energy audit tell me?**

The energy audit report will provide information including current energy usage and recommend energy conservation measures. The report will estimate how long it may take to pay back the costs for installing the recommended energy conservation measures. This report can be used as a checklist as you complete energy conservation projects and/or can be used to assist with acquiring funding to implement the energy conservation measures.

**8. How much on average will I have to pay up front?**

The investment grade energy audit will typically have a cost ranging from \$3,000 to \$8,000, depending on the facility. As part of USDA requirements, applicants will be responsible for paying a small share of the audit cost which will be calculated on a business-by-business basis. Upon completion of the audit, the applicant may be able to recoup their cost from Hawaii Energy through its Whole Building Assistance incentive offer, which can cover up to \$5,000 of the audit cost.

Hawaii Energy is the ratepayer-funded energy conservation and efficiency program for Hawaii, Honolulu and Maui counties administered by SAIC under the direction of the Hawaii Public Utilities Commission.

**9. What are the criteria my farm/business is being judged on for approval?**

The applicant must meet the following criteria for eligibility for an audit as defined in federal regulations. The applicant must be an agricultural producer located in either an urban or rural area or a small business located in a rural area.

**Agricultural producer.** An individual or entity directly engaged in the production of agricultural products, including crops (including farming); livestock (including ranching); forestry products; hydroponics; nursery stock; or aquaculture, whereby 50 percent or greater of their gross income is derived from the operations (7CFR4280.103).

**Rural Area.** A rural area is any area other than a city or town that has a population of greater than 50,000 inhabitants and the urbanized area contiguous and adjacent to such a city or town according to the latest decennial census of the United States (7CFR4280.103). The list of urban clusters and areas for 2010 released by the US Census Bureau in 2012 lists urban Honolulu-Kailua-Kaneohe and Kahului as urban clusters. The DBEDT website provides maps and a list of zip codes for reference. Generally, if your zip code is not listed in an urban cluster, you are eligible for an energy audit. Agricultural producers located in rural and non-rural areas are eligible for audits

**Small Business.** An entity is considered a small business in accordance with the Small Business Administration's (SBA) small business size standards by the North American Industry Classification System (NAICS) found in Title 13 CFR part 121. A private entity, including a sole proprietorship, partnership, corporation, cooperative (including a cooperative qualified under section 501(c)(12) of the Internal Revenue Code), and an electric utility, including a Tribal or governmental electric utility, that provides service to rural consumers on a cost-of-service basis without support from public funds or subsidy from the Government authority establishing the district, provided such utilities meet SBA's definition of small business. These entities must operate independent of direct Government control. With the exception of the entities described above, all other non-profit entities are excluded (7CFR4280.103).

**10. How long does the approval process take? How long does the auditing process take?**

- a. The approval process takes approximately four (4) weeks upon receipt of your application. You will receive a letter and/or email notifying you if your application has been approved.
- b. The auditing process takes anywhere from two (2) to four (4) hours on site and you should expect to receive your final audit report within 45 days of your site visit.

**11. What should I do with the results after my audit is completed?**

Once you have received your energy audit report, you should read through it and review the recommendations. While you are not required to install any or all of the recommendations in the report, you can use the report as a checklist as you install energy conservation measures or to decide which measures to start with to become more efficient. For more information visit Hawaii Energy's website at [www.HawaiiEnergy.com/business](http://www.HawaiiEnergy.com/business).

**12. How can I recoup the upfront cost of the energy audit?**

At the time you commit to proceeding with the energy audit, in addition to paying the upfront cost, you will be submitting an application to Hawaii Energy for its Whole Building Assistance incentive offer. If you are eligible, you may be reimbursed up to \$5,000 of the upfront cost. For more information visit Hawaii Energy's website at [www.HawaiiEnergy.com/business](http://www.HawaiiEnergy.com/business).

**13. What is required of me after the audit is done?**

Nothing, but you are encouraged to take advantage of energy saving incentives and programs that are available through Hawaii Energy and the USDA to install recommended energy conservation measures. Once your audit is done it is up to you to move forward with the energy conservation recommendations or not. You should contact Hawaii Energy at [www.HawaiiEnergy.com/business](http://www.HawaiiEnergy.com/business) to get the latest information on available incentives offered to help you implement the recommendations.

**14. Am I required to install any/all of the recommendations from the audit report?**

No, you are not required to install all or any of the recommended measures from the report. However, it is recommended that you carefully review the measures and move forward with those that make the most sense for your business

**15. Are there programs/incentives available to help pay for the recommendations?**

Yes, Hawaii Energy offers incentives to business customers that install energy-efficient equipment. More information on incentives and applications can be found at [www.HawaiiEnergy.com/business](http://www.HawaiiEnergy.com/business).

**GreenSun Hawaii** is a loan program for making energy efficiency and renewable energy improvements for homes, multi-family, nonprofit and business properties affordable by partnering with local banks and credit unions statewide. The program is administered by Hawaii Community Reinvestment Corporation (HCRC), and contracted by the State of Hawaii. For more information, visit GreenSun's website at <https://hcrc-hawaii.org/community-development/financing-programs2.html>

**16. Who do I contact if I have questions?**

For more information or assistance, please contact Bethany Reinholtz of GDS Associates at 1-800-441-8525, Monday through Friday (except holidays) or by email at [bethany.reinholtz@gdsassociates.com](mailto:bethany.reinholtz@gdsassociates.com).