



July 5, 2024

Maui County Council BFED Committee Chair Sugimura
200 S. High St.
Kalana O Maui Building 8th Floor
Wailuku, HI 96793

RE: JOHNSON CONTROLS, INC. ENERGY PERFORMANCE CONTRACT (BFED-21(24))

Aloha Maui County Council BFED Committee Chair Sugimura,

Please see JCI's responses to your request for information from June 21, 2024.

1. Outline JCI's responsibility for maintaining installed equipment and replacing malfunctioning equipment, including how long this responsibility would last and how this timeframe was determined. Is there an extra cost to the County for the maintenance and replacement of equipment? Is there any warranty for standard wear-and-tear on the equipment? Please include any relevant documentation in your response.

- a. The maintenance of the installed equipment is generally a joint effort between the County and JCI. However, Johnson Controls does have a one-year construction workmanship (parts and labor) warranty. After this warranty period, all manufacturer's warranties (all clearly specified in the IGA (Investment Grade Audit) as well) are transferred to the County, in which case the County will pursue warranty claims directly with the manufacturers as they arise or as applicable. The IGA document provided by JCI clearly specifies the County's maintenance responsibilities for each Facility Improvement Measure (FIM).
- b. The County has the option to hire Johnson Controls to perform a portion of the equipment maintenance, specifically for Lighting and Pool Equipment. The maintenance contracts are called Planned Service Agreements (PSA) that are annually renewing, allowing the County to cancel in any year. The IGA includes the pricing and scope for a PSAs that clearly specifies JCI's maintenance responsibilities (in this case, it was for pool equipment and lighting). If at any given year the County elects to opt out, then all those maintenance responsibilities are transferred to the County. Failure by the County to maintain equipment or install similar equipment whenever something fails could result in JCI voiding the guarantee. For example, if the County elects to opt out of a lighting PSA and replaces JCI installed LED fixtures with old inefficient technology, this will result in JCI voiding the savings guarantee for that specific instance or location.
- c. There are FIMs that do not require any special maintenance, and thus, no service PSA was included for those. One example is domestic plumbing fixtures (toilets, urinals, etc.), which is something that the County will need to provide all the maintenance as they currently already are.

2. Explain how the cost savings from JCI's improvements will be calculated. Will an analysis be conducted once all improvements are installed?

- a. This information is covered in full detail in the IGA and answering this adequately would be better accomplished during a workshop specifically focused on this topic. But to answer your question broadly, the savings are all measured and verified using the prescribed and clearly defined methodology identified in the IGA (M&V Methodologies section), where a specific set of measurements and agreed upon variables are specified for each FIM. These methodologies were presented to the County before contract signing on a series of workshops and this was reviewed by a 3rd party consultant hired by the previous administration.

- b. Once all of the Phase 1 scope of work is installed and completed, this marks the beginning of the performance period (post-construction). Measurement and Verification (M&V) analysis will be conducted by JCI throughout each year. At the end of each contract year, JCI will deliver an M&V report with the verified savings amount.

3. Have there been modifications to JCI's scope of work since the Contract C7619 been executed? If so, how did the modifications impact the amount due to Bank of Hawaii for the equipment lease for JCI's improvements?

- a. Yes, there have been modifications to the scope, and the modifications that have been approved did not result in a significant change in the savings or cost of the project. The Mayor's office directed JCI to proceed with these changes as long as there was no change in cost or savings. However, there are additional modifications outside of JCI's control (e.g. measures or facilities that will be descope due to the Lahaina fires, exterior lighting ordinance that passed after the contract was signed, various requests to descope certain things/facilities by different Departments, untimeliness of permitting approvals, etc.) that will need to take place that will result in a change of the savings guarantee and/or contract amount. JCI is working with the Mayor's office to determine a path forward.

4. If Hawaiian Electric Company ceased operations, how would energy savings resulting from the County's contract with JCI be calculated?

- a. We first need to qualify that the response to this question is based on opinion and that no one knows how this scenario would actually play out. We are unsure what is meant by "ceased operations" but contractually, between JCI and the County, nothing would change. However, if HECO were to "cease operations" there are 2 possible scenarios as we see it:
 - i. Scenario #1: HECO is acquired by another utility company, is bailed out, etc. and an electric utility (HECO or other) continues to operate the power grid. In this case, nothing would change regarding JCI's project, savings, etc. Regardless of who sends the electric bill, there would not be any impact to energy savings calculations as long as the County pays a bill. Project savings are all calculated using energy units saved and the contractually stipulated utility rates, which are all clearly specified in the IGA.
 - ii. Scenario #2: HECO shuts down, doesn't operate, and is not replaced, meaning there is no operational power grid. In this case, the entire state will be without power and it would be catastrophic. We don't believe this is realistic and therefore we believe that Scenario #1 would be the result.

We look forward to more engagement with the County Council moving forward.

Mahalo nui,



Kainoa Casco
Climate + Resiliency Executive, Johnson Controls, Inc.
kainoa.casco@jci.com
808-463-6551

BFED Committee

From: Kainoa Casco <kainoa.casco@jci.com>
Sent: Tuesday, July 9, 2024 11:07 AM
To: Leo Caires; BFED Committee
Cc: Michelle Santos; Zeke Kalua
Subject: RE: COS Re: PLEASE READ attached letter re: JOHNSON CONTROLS, INC. ENERGY PERFORMANCE CONTRACT (BFED-21(24)); reply by 07/05/2024
Attachments: BFED Info Request - JCI Response 070524 v2 submit.pdf

Aloha team,

Please see JCI's response to your request attached. Mahalo!

Mahalo nui,

Kainoa Casco

Climate + Resiliency Executive
Sustainable Infrastructure, Hawaii
Johnson Controls, Building Solutions North America

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From: Kainoa Casco
Sent: Tuesday, July 9, 2024 7:32 AM
To: Leo Caires <Leo.Caires@co.maui.hi.us>; BFED Committee <BFED.Committee@mauicounty.us>
Cc: Michelle Santos <Michelle.Santos@co.maui.hi.us>; Zeke Kalua <Zeke.Kalua@co.maui.hi.us>
Subject: RE: COS Re: PLEASE READ attached letter re: JOHNSON CONTROLS, INC. ENERGY PERFORMANCE CONTRACT (BFED-21(24)); reply by 07/05/2024

Aloha team,

E kala mai on the delay. JCI will send a response to the request by EOD today or first thing tomorrow morning. Mahalo for your patience.

Mahalo nui,

Kainoa Casco

Climate + Resiliency Executive
Sustainable Infrastructure, Hawaii
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From: Kainoa Casco <kainoa.casco@jci.com>
Sent: Friday, June 21, 2024 9:46 AM
To: Leo Caires <Leo.Caires@co.maui.hi.us>; BFED Committee <BFED.Committee@mauicounty.us>
Cc: Michelle Santos <Michelle.Santos@co.maui.hi.us>; Zeke Kalua <Zeke.Kalua@co.maui.hi.us>
Subject: RE: COS Re: PLEASE READ attached letter re: JOHNSON CONTROLS, INC. ENERGY PERFORMANCE CONTRACT (BFED-21(24)); reply by 07/05/2024

Mahalo!

JCI will work on this and provide a response.

Mahalo nui,

Kainoa Casco
Climate + Resiliency Executive
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From: Leo Caires <Leo.Caires@co.maui.hi.us>
Sent: Friday, June 21, 2024 9:45 AM
To: Kainoa Casco <kainoa.casco@jci.com>; BFED Committee <BFED.Committee@mauicounty.us>
Cc: Michelle Santos <Michelle.Santos@co.maui.hi.us>; Zeke Kalua <Zeke.Kalua@co.maui.hi.us>

Subject: COS Re: PLEASE READ attached letter re: JOHNSON CONTROLS, INC. ENERGY PERFORMANCE CONTRACT (BFED-21(24)); reply by 07/05/2024

BFED,

Mahalo for the document.
Confirming receipt.

Leo K Caires, MBA, D.Ed.

Chief of Staff

Kalana O Maui

200 S. High Street

Wailuku, HI 96793

FOR INFORMATION ON THE RECOVERY: [Official Recovery Information: Maui Recovers](#)

FOR INFORMATION ON GOVERNMENT RESPONSE TO WILDFIRE:

[Maui County, HI - Official Website](#) | [Official Website](#)

FOR RESOURCES AND INFORMATION FOR THE MAUI WILDFIRE RELIEF:

[Maui Nui Strong](#)

>>> BFED Committee <BFED.Committee@mauicounty.us> 6/21/2024 8:42 AM >>>

Mr. Kainoa Casco: Please refer to the attached letter from the Budget, Finance, and Economic Development (BFED) Committee Chair, dated June 21, 2024. Please respond by **July 5, 2024**.

Mayor's Office (attention: Michelle Santos and Zeke Kalua): Please forward the attached letter to Mayor Bissen for his information.

Mr. Caires: FYI

Thank you,
BFED Committee Staff