

Pacific Business News (Honolulu) - July 24, 2000
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PACIFIC BUSINESS NEWS

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Company thrives as Hawaii businesses gain energy awareness

Pacific Business News (Honolulu) - July 21, 2000 by [Heather Tang](#) PBN Staff Reporter

Once upon a time, convincing people to be "earth-friendly" was no easy feat, says Darren Kimura.

"When I first started this four years ago, I went through rejection after rejection. I had to sit down with people with my laptop; I'd get into two-hour energy presentations to install a simple \$2,000 job," says Kimura, president of the Honolulu-based Energy Conservation Hawaii. "It was such a foreign technology at the time. People were very resistant back then."

Nowadays, things are different, Kimura says. Energy-efficiency is commonplace; customers seek him out for the earth-friendly lighting, he says.

Such demand has fueled expansion for the tiny 6-year-old company, which began on the Big Island as a summer project for Kimura, then an electrical engineering student at the University of Hawaii. In 1998, having installed hundreds of lighting projects on the Big Island, Kimura went out on his own, splitting from his father's electrical contracting company, JK Electric Inc. That year, he grossed \$200,000 and transferred headquarters to Oahu while adding a Maui office.

Kimura's services include energy-efficient lighting, heat pumps and other energy management systems. The majority of business -- about 90 percent -- consists of retrofitting commercial lighting systems statewide; jobs can range from \$1,000 to \$600,000 depending on building size, fixture quantity and technology implemented.

In 1999, revenue doubled to \$425,000 and the company expanded service to Kauai. As of May 2000, Energy Conservation has already grossed \$600,000. Grown to 21 employees, Kimura projects the company will pass the \$1 million mark by year's end.

As for competition, there's Hawaii-based World Energy Resources Corp. In business since 1986, World Energy, led by president John Atkinson, is among a small number of private companies in Hawaii that offer energy conservation, lighting retrofits and maintenance services.

"On the mainland, they are much more aggressive regarding energy efficiency. Locally, people are more resistant to that idea but they are beginning to show signs of improving," Kimura says.

California state code requires businesses to be energy efficient or face fines. Hawaii, on the other hand, doesn't have such a code, although its 4-year-old Hawaii Energy Model Code serves as a model.

As for businesspeople's awareness of earth-friendly energy, it's a subject that could stand improvement, Kimura says, adding that the state's regulated electric industry stifles general electrical awareness. Currently, he estimates that only about 40 percent of local businesses have installed energy-efficient measures. About half have done so in the last two to three years, he says.

Heco's utility rebate programs are helping. Its 4-year-old Energy Solutions program offers 15 percent to 20 percent rebates or savings from \$50 to \$250,000 to cover lighting installation costs. Other joint programs with Energy Conservation partially fund other energy-saving projects.

Still, the future of Energy Conservation is limited by the nature of its business, Kimura says.

"We're toward the end of mortality; it's a predatory business. You go in and do the energy retrofit, [then] most of our clients never see us again. We have a lot of word-of-mouth customers but not very many repeat customers," he says.

Such a situation has forced Energy Conservation to constantly look for new avenues of growth. That involves updates of the latest technologies including construction management, heat pump and controls, energy management systems, data and telecommunications wiring.

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