

JAN 25 2006

A BILL FOR AN ACT

AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS FOR ENERGY EFFICIENCY IN STATE FACILITIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that renewable energy and
2 energy efficient technologies can provide a viable means to
3 produce safe energy resources as well as efficiently use energy
4 resources for various state departments and agencies. Renewable
5 energy technologies allow electricity to be generated at the
6 source where it is consumed and consequently provides increased
7 energy independence and diminishes the vulnerability of state
8 facilities from rolling blackouts, other failures of the
9 electric grid, and the volatility of the energy market.
10 Renewable energy offers a clean, silent, and reliable source of
11 energy and produces energy during peak demand.

12 The legislature further finds that, for fiscal year ending
13 June 30, 2001, the state government used over six hundred sixty-
14 eight million kilowatts of electricity at a cost of over
15 \$83,500,000. Potential savings realized by the State through
16 the installation of renewable energy and energy efficient
17 technologies in state facilities could pay for all or a



1 substantial portion of the costs associated with issuing general
2 obligation bonds to finance such projects.

3 The legislature further finds that it is in the public
4 interest to finance the incorporation of renewable energy and
5 energy efficient technologies in state facilities.

6 Accordingly, the purpose of this Act is to:

- 7 (1) Authorize the issuance and appropriation of
8 \$25,000,000, in general obligation bonds to finance
9 the acquisition, construction, rehabilitation,
10 installation, and improvement of renewable energy and
11 energy efficient technologies in state facilities;
- 12 (2) Provide that the State identify, evaluate, and
13 prioritize qualifying projects that should be improved
14 with renewable energy and energy efficient
15 technologies; and
- 16 (3) Require the department of accounting and general
17 services to conduct a comprehensive study on the
18 practicality, economics, and other relevant aspects of
19 state facilities that install renewable energy and
20 energy efficient technologies.

21 SECTION 2. (a) The State shall finance the acquisition,
22 construction, rehabilitation, installation, and improvement of



1 renewable energy and energy efficient technologies in state
2 facilities for the generation of electricity as provided for in
3 this Act.

4 (b) The State shall identify, evaluate, and prioritize
5 qualifying projects. Those projects with the highest benefit to
6 cost ratios shall be given priority with respect to the
7 acquisition, construction, rehabilitation, installation, and
8 improvement of renewable energy and energy efficient
9 technologies; subject to the consent of those state departments,
10 agencies, or enterprises that own or control the facilities or
11 lands on which renewable technologies and energy efficient
12 technologies are proposed to be sited.

13 (c) As used in this Act:

14 "Energy efficient technology" means a technology (such as
15 equipment, processes, assemblies, control methods, or the like)
16 that reduces the amount of input energy consumed by a process
17 per unit of useful output from the process compared to standard
18 technology. An energy efficient technology shall be cost
19 effective based on life cycle analysis.

20 "Renewable energy technology" means any new identifiable
21 device, apparatus, system, or the like that makes use of
22 renewable resources for thermal or electrical energy production



1 for heating, cooling, or reducing the use of other types of
2 energy dependent on fossil fuel.

3 SECTION 3. The department of accounting and general
4 services shall submit a comprehensive report to the legislature
5 and the governor twenty days prior to the convening of the
6 regular sessions of 2007 and 2008 regarding the acquisition,
7 construction, rehabilitation, installation, and improvement of
8 renewable energy and energy efficient technologies in state
9 facilities pursuant to this Act, including:

- 10 (1) The annual and total cumulative cost to finance the
11 acquisition, construction, rehabilitation,
12 installation, and improvement of renewable energy and
13 energy efficient technologies in state facilities;
- 14 (2) An analysis of the cost to benefit ratio for the
15 acquisition, construction, rehabilitation,
16 installation, and improvement of renewable energy and
17 energy efficient technologies by general obligation
18 bond financing;
- 19 (3) The impact on the demand and supply of electricity
20 generated by electric utilities;
- 21 (4) The decision-making criteria employed to determine
22 whether to finance the acquisition, construction,



1 rehabilitation, installation, and improvement for a
2 particular state facility; and


3 (5) Recommended legislation to effectuate the purpose of
4 this part.

5 SECTION 4. The director of finance is authorized to issue
6 general obligation bonds in the sum of \$25,000,000, or so much
7 thereof as may be necessary and the same sum or so much thereof
8 as may be necessary is appropriated for fiscal year 2006-2007 to
9 finance the acquisition, construction, rehabilitation,
10 installation, and improvement of renewable energy and energy
11 efficient technologies in state facilities.

12 SECTION 5. The appropriation made for the capital
13 improvement project authorized by this Act shall not lapse at
14 the end of the fiscal year for which the appropriation is made;
15 provided that all moneys from the appropriation unencumbered as
16 of June 30, 2008, shall lapse as of that date.

17 SECTION 6. The sum appropriated shall be expended by the
18 department of accounting and general services for the purposes
19 of this Act.

20 SECTION 7. This Act shall take effect on July 1, 2006.

21 *Handwritten signatures and text:*
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SB LRB 06-01 doc


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Report Title:

Energy Efficiency in State Facilities; General Obligation Bonds

Description:

Authorizes the issuance of \$25,000,000 in general obligation bonds to finance the acquisition, construction, rehabilitation, installation, and improvement of renewable energy and energy efficient technologies in state facilities.

