
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 the efficient use of
4 energy resources by state departments and agencies. Renewable
5 energy technologies allow electricity to be generated where it
6 is consumed. Consequently, these technologies provide increased
7 energy independence and diminish the vulnerability of state
8 facilities to rolling blackouts, other failures of the electric
9 grid, and the volatility of the energy market. Renewable energy
10 also offers a clean, silent, and reliable source of energy and
11 produces energy during peak demand.

12 The legislature further finds that, for the fiscal year
13 ending June 30, 2001, the state government used over six hundred
14 sixty-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 \$, 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) Require the State to 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 life-cycle
19 cost-effective, as defined in section 196-11, Hawaii Revised
20 Statutes.

21 "Renewable energy technology" means any new identifiable
22 device, apparatus, system, or the like that makes use of



1 renewable resources for thermal or electrical energy production
2 for heating, cooling, or reducing the use of other types of
3 energy dependent on fossil fuel.

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

11 (1) The annual and total cumulative cost to finance the
12 acquisition, construction, rehabilitation,
13 installation, and improvement of renewable energy and
14 energy efficient technologies in state facilities;

15 (2) An analysis of the cost to benefit ratio for the
16 acquisition, construction, rehabilitation,
17 installation, and improvement of renewable energy and
18 energy efficient technologies by general obligation
19 bond financing;

20 (3) The impact on the demand and supply of electricity
21 generated by electric utilities;



1 (4) The decision-making criteria employed to determine
2 whether to finance the acquisition, construction,
3 rehabilitation, installation, and improvement for a
4 particular state facility; and

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

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

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

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

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



Report Title:

Energy Efficiency in State Facilities; General Obligation Bonds

Description:

Authorizes the issuance of general obligation bonds to finance the acquisition, construction, rehabilitation, installation, and improvement of renewable energy and energy efficient technologies in state facilities. (SD1)

