

Honolulu, Hawaii

Ag: 128, 2006

RE: H.B. No. 2175  
H.D. 2  
S.D. 2  
C.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Honorable Robert Bunda  
President of the Senate  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 2175, H.D. 2, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to provide a comprehensive set of proposals to assist the State in achieving energy self-sufficiency.

Specifically, this measure:

- (1) Increases renewable energy technology tax credits for certain energy systems and removes the tax credit's January 1, 2008, sunset date;



- (2) Authorizes the issuance of general obligation bonds for the development and implementation of a photovoltaic, net energy metered system pilot project in public schools;
- (3) Updates the State's energy policy to promote state use of green building practices for the construction or substantial renovation of state-funded buildings, energy and water efficiency practices, life cycle cost-benefit analysis, fuel-efficient vehicles, alternate fuels, and energy-savings contracts;
- (4) Requires the State's Energy Resources Coordinator to establish benchmarks and evaluate the State's progress in incorporating energy efficiency and conservation measures and to make recommendations on how and when to conduct periodic energy audits;
- (5) Authorizes the issuance of general obligation bonds to fund energy efficiency initiatives for state facilities, vehicles, and equipment;
- (6) Appropriates funds to hire a full-time energy-efficiency coordinator position to address energy efficiency in Department of Education facilities;
- (7) Requires the counties to establish a procedure for priority processing of permit applications for construction projects incorporating energy and environmental design building standards;
- (8) Requires the Public Utilities Commission to implement a "pay as you save" pilot program to help residents purchase energy-efficient solar hot water heater systems; and
- (9) Establishes a Hawaii Renewable Hydrogen Program and Hydrogen Investment Capital Special Fund and appropriate funds for the hydrogen program and the special fund.

This is one of two omnibus energy package bills; the other bill is S.B. No. 2957, S.D. 2, H.D. 2, C.D. 1. The contents of the two bills were divided between this measure and S.B. No. 2957, S.D. 2, H.D. 2, C.D. 1, after agreement by your Committee on Conference. Your Committee on Conference has amended this measure by, among other things:



- (1) Deleting certain sections that are present in S.B. No. 2957, S.D. 2, H.D. 2, C.D. 1, relating to:
  - (A) The renewable energy technology tax credits;
  - (B) The "pay as you save" pilot program; and
  - (C) The Hawaii Renewable Hydrogen Program and Hydrogen Investment Capital Special Fund and the appropriations for the hydrogen program and the special fund;
- (2) Deleting all general obligation bonds appropriations language and appropriating general funds of:
  - (A) \$500,000 to the Department of Business, Economic Development, and Tourism (DBEDT) for energy-efficiency initiatives for state facilities and equipment;
  - (B) \$5,000,000 to the Department of Education (DOE) for the development and implementation of a photovoltaic, net energy metered pilot project in public schools;
  - (C) \$65,000 to DOE for the establishment of a full-time energy coordinator position within DOE; and
  - (D) \$130,000 to DBEDT for the establishment of two full-time energy coordinator positions within DBEDT;
- (3) Accelerating the timetable to phase-in energy-efficient vehicles into the State's motor vehicle fleet;
- (4) With regard to buildings and facilities, requiring each agency to design and construct buildings meeting the Leadership in Energy and Environmental Design silver or two green globes rating system or another comparable state-approved, nationally recognized, and consensus-based guideline, standard, or system, except when the guideline, standard, or system interferes or conflicts with the use of the building or facility as an emergency shelter;
- (5) Defining "energy and environmental design building standards" to mean Leadership in Energy and Environmental Design silver or two green globes rating system or another



comparable state-approved, nationally recognized, and consensus-based guideline, standard, or system;

- (6) Making the measure effective upon approval; provided that sections 2, 3, 10, 12, and 13 shall take effect on July 1, 2006; and
- (7) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2175, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2175, H.D. 2, S.D. 2, C.D. 1.

Respectfully submitted on behalf of the managers:

ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE

  
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J. KALANI ENGLISH, Chair

  
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HERMINA MORITA, Co-Chair

  
\_\_\_\_\_  
RON MENOR, Co-Chair

  
\_\_\_\_\_  
ROBERT N. HERKES, Co-Chair

  
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BRIAN T. TANIGUCHI, Co-Chair

  
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DWIGHT TAKAMINE, Co-Chair



Hawaii State Legislature

CCR NO. 231-06

Record of Votes of a Conference Committee

Bill / Concurrent Resolution No.: HB 2175, HD 2, SD 2	Date/Time: 4-28-2006 5:50 pm
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.



The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure

The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.

Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
ENGLISH, J. Kalani, Chr.	✓				MORITA, Hermina M., Co-Chr.	✓			
MENOR, Ron, Co-Chr.				✓	HERKES, Robert N., Co-Chr.	✓			
TANIGUCHI, Brian, Co-Chr.	✓				TAKAMINE, Dwight Y., Co-Chr.	✓			
ESPERO, Will	✓				ITO, Ken	✓			
KOKUBUN, Russell S.	✓				MAGAOAY, Michael Y.	✓			
WHALEN, Paul	✓				THIELEN, Cynthia	✓			
TOTAL	5	0	0	1	TOTAL	6	0	0	0

A = Aye      WR = Aye with Reservations      N = Nay      E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature: 
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