

Honolulu, Hawaii

Feb 10, 2006

RE: H.B. No. 2175
H.D. 1

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

Sir:

Your Committee on Energy & Environmental Protection, to which
was referred H.B. No. 2175 entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

begs leave to report as follows:

The purpose of this bill is to provide a comprehensive
approach to achieving energy self-sufficiency for the State by:

- (1) Increasing the renewable energy technologies income tax
credit for certain renewable energy systems and removing
the tax credits' 2008 sunset date;
- (2) Authorizing the issuance of general obligation bonds for
a photovoltaic pilot project at public schools and to
enable state compliance with greenhouse gas and energy
consumption reduction goals for state facilities;
- (3) Requiring the use of Leadership in Energy and
Environmental Design silver standards for state-funded
building construction and renovation; and
- (4) Establishing the pay as you save pilot project to make
the renewable energy technology more affordable.

Your Committee has refined the focus of the bill by making
the following amendments:



- (1) Increasing the renewable energy technologies income tax credit for solar-thermal energy systems for single-family residential property;
- (2) Deleting language pertaining to the deduction of new federal energy tax credits, prior to application of the state renewable energy technologies income tax credit;
- (3) Narrowing the proposed pay as you save program to establish a solar water heating pay as you save program;
- (4) Incorporating Leadership in Energy and Environmental Design silver building standards and other energy efficiency and renewable resource requirements for state buildings and facilities;
- (5) Incorporating Leadership in Energy and Environmental Design standards for projects receiving priority permit processing by the counties;
- (6) Setting energy efficiency and transportation fuel requirements for state vehicles;
- (7) Amending the findings provisions of chapter 196, Hawaii Revised Statutes, by clarifying that global demand for petroleum is causing severe economic hardship throughout the State and emphasizing the need for strategic, comprehensive planning for Hawaii's energy resources;
- (8) Encouraging energy-savings contracting by:
 - (A) Clarifying that energy-savings contracts include energy-savings performance contracts, municipal lease/purchase financing, and utility energy efficiency service contracts; and
 - (B) Authorizing the issuance of general obligation bonds to carry out the purposes of Part III of the bill relating to energy efficiency in state buildings, vehicles, and equipment;
- (9) Amending the membership of the public-private advisory committee for energy resources and requiring the committee to:



- (A) Establish benchmarks and evaluate the State's progress in energy efficiency and conservation in state facilities, vehicles, and equipment;
 - (B) Make recommendations on periodic energy audits; and
 - (C) Make annual recommendations to the Legislature to carry out the purposes of Chapter 196, Hawaii Revised Statute relating to energy resources;
- (10) Appropriating funds for one full-time energy efficiency coordinator position to address energy efficiency issues in Department of Education facilities;
- (11) Repealing sections 196-8, 196-12, 196-13, 196-14, 196-15, 196-16, 196-17, 196-20, 196-24, 196-25, 196-26, 196-27, 196-28, and 196-29, Hawaii Revised Statutes; and
- (12) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2175, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2175, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,

Hermina Morita

HERMINA MORITA, Chair



