

Honolulu, Hawaii

April 7, 2006

RE: S.B. No. 2957
S.D. 2
H.D. 2

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

Sir:

Your Committee on Finance, to which was referred S.B. No. 2957, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

begs leave to report as follows:

The purpose of this bill is to provide a framework for energy self-sufficiency by:

- (1) Increasing the renewable energy technologies income tax credit for certain solar-thermal, wind-powered, and photovoltaic energy systems and removing the tax credit's January 1, 2008, sunset date;
- (2) Authorizing the issuance of general obligation bonds for the development and implementation of a photovoltaic, net energy metered system pilot project in public schools;
- (3) Requiring each state agency during planning, budget preparation, and program implementation to comply and follow a comprehensive set of guidelines and goals to promote energy efficiency and environmental standards for state facilities, equipment, and vehicles;



- (4) Authorizing the issuance of general obligation bonds to fund energy efficiency initiatives for state facilities, vehicles, and equipment;
- (5) Appropriating an unspecified amount for the hiring of a full-time energy efficiency coordinator position within the Department of Education (DOE) and Department of Business, Economic Development, and Tourism (DBEDT);
- (6) Accelerating the timetable to phase-in energy-efficient vehicles into the State's motor vehicle fleet;
- (7) Promoting the use of green building practices by requiring each county agency that issues building, construction, or development-related permits to establish a procedure for priority processing of permit applications for construction projects incorporating energy and environmentally efficient building standards;
- (8) Establishing a biofuel preference in Hawaii's procurement law;
- (9) Establishing a Hawaii Renewable Hydrogen Program and Hydrogen Investment Capital Fund and providing appropriations therefor;
- (10) Appropriating funds to provide assistance to the agricultural community interested in developing energy projects, especially for the production of biodiesel from energy crops and cellulosic ethanol from agricultural waste streams; and
- (11) Requiring the Public Utilities Commission (PUC) to implement a pilot project to be called the "Solar Water Heating Pay As You Save Program" to help residents purchase solar hot water heater systems.

DBEDT, Sierra Club, Hawaii Chapter, Hawaii Association of Realtors, Hawaii Energy Policy Forum, Hawaii Solar Energy Association, Hawaii Renewable Energy Alliance, Conservation Council of Hawaii, Hawaiian Electric Company, Inc., Maui Electric Company, Inc., Hawaii Electric Light Company, Inc., American Chemistry Council, Inter-Island Solar Supply, Makani Nui Associates, LLC, R&R Solar Supply, Hoku Scientific, PowerLight Corporation, and Rocky Mountain Institute supported this bill. The University of Hawaii at Manoa's Hawaii Natural Energy



Institute supported this measure in part. The State Procurement Office supported this measure with amendments. The Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs supported this measure in part with amendments. DOE, Department of Accounting and General Services, AARP Hawaii, The Gas Company, and MicroPlanet Ltd. supported the intent of this measure. AIA Hawaii State Council supported the intent of this measure in part. The Life of the Land opposed this measure. The Department of Taxation, PUC, Tax Foundation of Hawaii, and Honolulu Seawater Air Conditioning LLC provided comments.

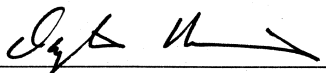
Your Committee has amended this measure by:

- (1) Providing that DOE will approve energy-efficiency standards for public school facilities;
- (2) Changing the general obligation bond fund appropriation for renewable energy and energy efficiency in public schools by removing references to vehicles and equipment and allowing the funds to be used to meet energy efficiency and environmental standards and develop the Hawaii State School Facilities Energy Efficiency and Environmental Design Standards;
- (3) Clarifying that the full-time energy efficiency coordinator for the DOE is to be permanent and renaming the position "energy conservation coordinator";
- (4) Clarifying that the "chief procurement officer", rather than the "procurement officer" may exempt agencies from energy-efficient vehicle purchase requirements;
- (5) Changing all appropriation amounts to \$1, to encourage further discussion;
- (6) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (7) Making technical, nonsubstantive amendments for consistency, clarity, and style.



As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2957, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2957, S.D. 2, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



DWIGHT TAKAMINE, Chair



State of Hawaii
House of Representatives
The Twenty-third Legislature

HSCR 1658

Record of Votes of the Committee on Finance

Bill/Resolution No.: SB 2957, SD2, HD1		Date: 4.4.06		
Committee Referral: EEP/CPC, FIN		<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.		
The recommendation is to: <input type="checkbox"/> Pass, unamended <input checked="" type="checkbox"/> Pass, with amendments <input type="checkbox"/> Hold <input type="checkbox"/> Pass, with amendments, for recommitment for further consideration				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. TAKAMINE, Dwight Y. (C)	✓			
2. KAWAKAMI, Bertha C. (VC)	✓			
3. CARROLL, Mele				✓
4. CHONG, Pono	✓			
5. EVANS, Cindy	✓			
6. LEE, Marilyn B.	✓			
7. MAGAOAY, Michael Y.	✓			
8. NAKASONE, Bob	✓			
9. NISHIMOTO, Scott Y.	✓			
10. TANAKA, Kameo				✓
11. TSUJI, Clift	✓			
12. WAKAI, Glenn	✓			
13. YAMANE, Ryan I.	✓			
14. YAMASHITA, Kyle T.	✓			
15. MEYER, Colleen Rose				✓
16. MOSES, Mark S.	✓			
17. PINE, Kymberly		✓		
18. STEVENS, Anne V.	✓			
TOTAL	14	1		3
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; margin-left: 100px;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <div style="text-align: center; font-family: cursive; font-size: 1.5em; margin-top: 10px;"> Bertha C. Kawakami </div>				
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