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# A BILL FOR AN ACT

RELATING TO REORGANIZATION OF STATE AGENCIES.

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

1           SECTION 1. The legislature finds that under the state  
2 constitution, the State is responsible for providing its people  
3 with a healthful environment; protecting the public health;  
4 conserving and protecting the natural beauty and natural  
5 resources of the State, including the land, water, air,  
6 minerals, and energy resources; balancing the development and  
7 conservation of the State's natural resources; and protecting  
8 the State's marine resources and water resources.

9           In an effort to meet these constitutional responsibilities,  
10 the State established a long-term energy strategy that includes:

- 11           (1) Providing dependable, efficient, and economical  
12           statewide energy systems that are capable of  
13           supporting the needs of the people and increasing  
14           energy self-sufficiency and energy security;
- 15           (2) Establishing greenhouse gas and energy consumption  
16           reduction goals for state facilities and requiring the  
17           use of energy efficient products in state facilities;



- 1           (3) Providing incentives for the deployment of energy
- 2           efficient devices and renewable energy technologies;
- 3           (4) Establishing an enforceable renewable energy portfolio
- 4           standard under which a percentage of Hawaii's
- 5           electricity is to be generated from renewable
- 6           resources;
- 7           (5) Reducing greenhouse gas emissions from energy supply
- 8           and use;
- 9           (6) Increasing hydrogen and biofuel research and use in
- 10          the State; and
- 11          (7) Supporting the achievement of alternate fuel
- 12          standards.

13          There are many state agencies engaged in various aspects of

14 the exploration, research, distribution, conservation, and

15 production of the various forms of energy resources in Hawaii.

16 A few state agencies, namely the department of business,

17 economic development, and tourism; public utilities commission;

18 Hawaii natural energy institute; natural energy laboratory of

19 Hawaii authority; and the consumer advocate are integral to

20 successfully achieving state energy objectives.

21          The State has realized for some time now that the

22 advancement of a comprehensive long-term energy strategy depends



1 on effectively coordinating the mandates and efforts of key  
2 state agencies. The *Hawaii Integrated Energy Policy Report of*  
3 *1991* found that adequate staffing, funding, and relevant  
4 statutory authority are more important to effective state energy  
5 management than a specific organizational option. Similarly, a  
6 1995 feasibility study by the legislative reference bureau  
7 determined that the creation of an energy commission would be  
8 expensive and counterproductive. The recommendation was to  
9 periodically review the energy resource coordinator and the  
10 energy division's progress towards completing projects intended  
11 to further the state energy objectives.

12 The State has made great strides in the last several years  
13 to update its long-term energy strategy and give key state  
14 agencies direction regarding the state energy objectives that  
15 need to be met. The legislature finds that it is important now  
16 to review the actual administration of and responsibility for  
17 the state energy objectives among the key state agencies to  
18 avoid redundancy and determine if there are any areas in the  
19 administration of the long-term energy strategy that still need  
20 to be addressed. It may be necessary to reorganize the  
21 responsibilities of the key state agencies by amending the  
22 relevant statutory authority, for instance, to eliminate



1 redundant responsibilities or fill gaps in the administration of  
2 the state energy objectives. Hopefully, this review will result  
3 in a more efficacious use of state resources by freeing up  
4 funding and staff that can be applied to projects that further  
5 the long-term energy strategy.

6 The purpose of this Act is to direct the legislative  
7 reference bureau to:

- 8 (1) Identify the statutory responsibilities of state  
9 agencies that are integral to successfully achieving  
10 state energy objectives;
- 11 (2) Identify any duplication or deficiency in these state  
12 agencies' responsibilities relating to state energy  
13 objectives;
- 14 (3) Research how other states address similar deficiencies  
15 in the administration of their energy policies; and
- 16 (4) Make recommendations regarding how the state agencies  
17 can be reorganized to advance the long-term energy  
18 strategy.

19 SECTION 2. (a) The legislative reference bureau shall  
20 conduct a study to recommend the most effective and efficient  
21 options for reorganizing the state agencies that are integral to



1 successfully achieving state energy objectives and advancing the  
2 State's long-term energy strategy by:

3 (1) Reviewing the State's long-term energy strategy as  
4 codified in chapters 196, 269, and 304A, Hawaii  
5 Revised Statutes;

6 (2) Researching the statutory responsibilities of the  
7 following state agencies as they relate to achieving  
8 the state energy objectives outlined in the long-term  
9 energy strategy:

10 (A) The department of business, economic development,  
11 and tourism;

12 (B) The public utilities commission;

13 (C) The Hawaii natural energy institute;

14 (D) The natural energy laboratory of Hawaii  
15 authority; and

16 (E) The consumer advocate;

17 (3) Identifying any duplication of responsibilities among  
18 these state agencies' responsibilities relating to the  
19 state energy objectives;

20 (4) Identifying any deficiencies in the administration of  
21 the state energy objectives;



1 (5) Researching how other states have addressed similar  
2 deficiencies in the administration of their energy  
3 policies; and

4 (6) Making recommendations regarding how the state  
5 agencies can be reorganized to achieve state energy  
6 objectives and advance the State's long-term energy  
7 strategy. For purposes of this section, "reorganize"  
8 includes amending relevant statutory authority to  
9 ensure that state agencies with separate or distinct  
10 functions operate in a coherent and cooperative manner  
11 towards an end result.

12 (b) The state agencies affected by this study shall  
13 provide assistance and information as necessary for the  
14 legislative reference bureau to achieve the purpose of this Act.

15 (c) The legislative reference bureau shall submit a report  
16 of its findings and recommendations, including any proposed  
17 legislation and necessary funding, to the legislature at least  
18 twenty days prior to the convening of the 2009 regular session.

19 SECTION 3. There is appropriated out of the general  
20 revenues of the State of Hawaii the sum of \$ or so much  
21 thereof as may be necessary for fiscal year 2008-2009 to carry  
22 out the purposes of this Act. Any contract issued under this



1 Act shall be exempt from the requirements of chapter 103D,  
2 Hawaii Revised Statutes.

3 The sum appropriated shall be expended by the legislative  
4 reference bureau for the purposes of this Act.

5 SECTION 4. This Act shall take effect upon its approval;  
6 provided that section 3 shall take effect on July 1, 2008.



**Report Title:**

Energy and Environmental Protection; Reorganization; Energy;  
State Long-term Strategy; Agency Reorganization

**Description:**

Directs the legislative reference bureau to research the responsibilities of state agencies that are integral to achieving state energy objectives; identify any duplication or deficiency in the state agencies' responsibilities; research how other states address similar deficiencies in the administration of their energy policies; and make recommendations regarding how the state agencies can be reorganized to advance the long-term energy strategy. (SB2845 SD2)

