
SENATE CONCURRENT RESOLUTION

REQUESTING THE STATE AUDITOR TO CONDUCT A PROGRAM, PERFORMANCE,
AND FINANCIAL AUDIT OF THE NATURAL ENERGY LABORATORY OF
HAWAII AUTHORITY.

1 WHEREAS, the Natural Energy Laboratory of Hawaii Authority
2 was established to facilitate research, development, and
3 commercialization of natural energy resources and ocean-related
4 research, technology, and industry in Hawaii; and
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6 WHEREAS, the function of the Authority is to facilitate
7 retail, commercial, and tourism activities that will financially
8 support the research, development, and commercialization at a
9 research and technology park in Hawaii county; and
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11 WHEREAS, the research and technology park, known as the
12 Gateway Energy Center, is located on more than eight hundred
13 acres of public land at Keahole Point; and
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15 WHEREAS, when it opened in October 2004, the Gateway Energy
16 Center was lauded for its environmentally conscientious
17 construction and awarded platinum certification under Leadership
18 in Energy and Environmental Design standards set by the United
19 States Green Building Council; and
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21 WHEREAS, among the Center's energy-efficient design
22 features are photovoltaic panels that were installed to meet the
23 energy needs of the three-building complex; and
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25 WHEREAS, the Gateway Energy Center was created, not only to
26 showcase energy-efficient technologies, but to offer space for
27 laboratories to research emerging energy-efficient and renewable
28 energy technologies; and
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30 WHEREAS, the Center's photovoltaic panels allegedly
31 generate energy in excess of the complex's demands, however,



1 Hawaii Electric Light Company owns the panels and charges the
2 Authority for every kilowatt hour used; and

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4 WHEREAS, under the terms of the installation contract,
5 Hawaii Electric Light Company pays no rent for the placement of
6 the panels and the Authority receives no discount; and

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8 WHEREAS, it is unclear how such a disadvantageous
9 arrangement was made; and

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11 WHEREAS, in addition, the Authority has been criticized for
12 failing to comply with the Public Agency Meetings and Records
13 Law codified under chapter 92, Hawaii Revised Statutes, on
14 numerous occasions; and

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16 WHEREAS, according to *Environment Hawai'i*, one of the
17 questionable meetings involved an executive session that was
18 held to allegedly deliberate the terms of a contract with Hawaii
19 Electric Light Company; and

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21 WHEREAS, the rates charged to tenants at the research and
22 technology park for seawater pumping continue to be an issue of
23 concern; and

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25 WHEREAS, as of fiscal year 2007, the Authority no longer
26 receives general fund support from the State, but received over
27 \$1,500,000 in appropriations for capital improvement projects
28 during the 2006 Regular Session; and

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30 WHEREAS, it is critical that the Authority improve its
31 fiscal viability and public accountability; now, therefore,

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33 BE IT RESOLVED by the Senate of the Twenty-fourth
34 Legislature of the State of Hawaii, Regular Session of 2008, the
35 House of Representatives concurring, that the Auditor is
36 requested to conduct a program, performance, and financial audit
37 of the Natural Energy Laboratory of Hawaii Authority; and

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39 BE IT FURTHER RESOLVED that in conducting the audit, the
40 Auditor is requested to include:
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- 1 (1) The general operations of the Natural Energy
2 Laboratory of Hawaii Authority, including its
3 compliance with chapter 92, Hawaii Revised Statutes;
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- 5 (2) The development and implementation of comprehensive
6 plans to secure funding from federal, as well as,
7 private sources, to sustain fiscal viability; and
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- 9 (3) Internal budgeting and fiscal controls to ensure
10 effective and appropriate expenditures, including
11 expenditure of legislative appropriations and federal
12 funds; and
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14 BE IT FURTHER RESOLVED that the Auditor is requested to
15 submit a report of findings and recommendations to the
16 Legislature no later than twenty days prior to the convening of
17 the Regular Session of 2009; and
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19 BE IT FURTHER RESOLVED that certified copies of this
20 Concurrent Resolution be transmitted to the Auditor; the
21 Director of Business, Economic Development, and Tourism; and the
22 Chair of the Board of the Natural Energy Laboratory of Hawaii
23 Authority.