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# A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY.

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

1           SECTION 1. Chapter 196, Hawaii Revised Statutes, is  
2 amended by adding a new part to be appropriately designated and  
3 to read as follows:

4           **"PART . RENEWABLE ENERGY TECHNOLOGY SYSTEMS LOAN PROGRAM**

5           **§196-A Definitions.** As used in this part, unless the  
6 context otherwise requires:

7           "Department" means the department of business, economic  
8 development, and tourism.

9           "Director" means the director of business, economic  
10 development, and tourism.

11           "Loan program" means the renewable energy technology  
12 systems loan program.

13           "Renewable energy technology system" means a system that  
14 captures and converts a renewable source of energy, including  
15 wind, heat (solar thermal), or light (photovoltaic) from the sun  
16 into:

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17           (1) A usable source of thermal or mechanical energy;

18           (2) Electricity; or



1           (3) Fuel,  
2 including solar thermal, wind-powered, and photovoltaic energy  
3 systems.

4           **§196-B Renewable energy technology systems loan program.**

5       (a) There is established the renewable energy technology  
6 systems loan program to be administered by the department. The  
7 purpose of the loan program is to enable the department to make  
8 direct loans to eligible homeowners, as determined by the  
9 department, who seek to purchase and install renewable energy  
10 technology systems on their property.

11       (b) In administering the loan program, the department  
12 shall establish the terms and conditions, maturities, interest  
13 rates, collateral, and other requirements for the loans;  
14 provided that:

15           (1) The loan amount shall not exceed the cost of  
16           purchasing and installing a renewable energy  
17           technology system, less any applicable rebate that is  
18           provided as a result of the purchase and installation  
19           of the renewable energy technology system, as  
20           calculated at the time of installation;



1           (2) The interest rate on the loans may range from zero per  
2           cent to a maximum rate that shall be less than market  
3           rate; and

4           (3) The loan repayment schedule shall be based on the  
5           electrical usage savings expected to be realized by  
6           the eligible homeowner by using the renewable energy  
7           technology system installed using the loan funds.

8           (c) The department may purchase services from the electric  
9           utilities to have the loan repayment amounts billed and paid  
10          through the electric utility.

11          (d) The department shall establish the qualifications of  
12          the eligible homeowner. The department may consider the  
13          household income of the eligible homeowner and give priority to  
14          low- and moderate-income homeowners.

15          (e) The department shall establish requirements for  
16          renewable energy technology systems eligible for financing  
17          through the loan program.

18          (f) All renewable energy technology systems loans made  
19          shall comply with applicable state and federal laws.

20          **§196-C Renewable energy technology systems loan revolving**

21          **fund.** (a) There is established in the state treasury a  
22          renewable energy technology systems loan revolving fund from



1 which moneys shall be loaned by the department to provide  
2 financing for the purchase and installation of renewable energy  
3 technology systems as provided by the loan program established  
4 in this part, into which shall be deposited:

5 (1) All moneys received as repayment of loans provided by  
6 this part;

7 (2) Interest and fees collected by the department under  
8 this part; and

9 (3) Appropriations made by the legislature to the fund;  
10 provided that the total amount of moneys in the fund shall not  
11 exceed \$ at the end of any fiscal year.

12 (b) All moneys in the fund shall be used for the purposes  
13 provided in this part.

14 (c) Interest earned on funds appropriated for the  
15 revolving fund may be used by the department for the  
16 administration of the loan program established under this part.

17 **§196-D Default; security.** (a) The department may take  
18 all necessary action to collect any delinquent amount in the  
19 event of a default in the payment of any installation of  
20 principal or interest on any loan made from the renewable energy  
21 technology systems loan revolving fund and to otherwise secure  
22 the loans in the manner which affords reasonable protection of



1 the State's resources. The department may purchase services  
2 required for the purposes of this part from any state or  
3 national bank authorized to accept or hold deposits in the  
4 state.

5 (b) Loans made under this part shall be secured by duly  
6 recording a lien upon the real property located within the state  
7 upon which the renewable energy technology system is installed.

8 **§196-E Rulemaking authority.** The director may adopt rules  
9 pursuant to chapter 91, necessary to carry out the purposes of  
10 this part.

11 **§196-F Reporting requirement.** The department shall submit  
12 to the legislature a biennial report of the transactions of the  
13 renewable energy technology systems loan revolving fund in  
14 sufficient detail to accurately indicate the condition of the  
15 funds. The report shall be submitted to the legislature no  
16 later than twenty days prior to the convening of the regular  
17 session of odd-numbered years."

18 SECTION 2. There is appropriated out of the general  
19 revenues of the State of Hawaii the sum of \$ or so  
20 much thereof as may be necessary for fiscal year 2009-2010 to be  
21 deposited into the renewable energy technology systems loan



1 revolving fund created in section 196-C, Hawaii Revised  
2 Statutes.

3 The sum appropriated shall be expended by the department of  
4 business, economic development, and tourism for the purposes of  
5 this Act.

6 SECTION 3. In codifying the new sections added by section  
7 1 of this Act, the revisor of statutes shall substitute  
8 appropriate section numbers for the letters used in designating  
9 the new sections in this Act.

10 SECTION 4. This Act shall take effect on July 1, 2009.

11

INTRODUCED BY:

 

JAN 27 2009



**Report Title:**

Renewable Energy Technology Systems Loans

**Description:**

Establishes the Renewable Energy Technology Systems Loan Program to provide loans to homeowners to purchase and install renewable energy technology systems, that shall be secured by the property upon which the system is installed, and repaid using the savings realized from use of the renewable energy technology system.

