

JAN 27 2010

S.B. NO. 2875

A BILL FOR AN ACT

RELATING TO GOVERNMENT.

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

1 **PART I**

2 SECTION 1. The purpose of this Act is to:

- 3 (1) Promote economic development for local food and energy
4 businesses by establishing necessary funding,
5 guidance, and infrastructure;
- 6 (2) Ensure Hawaii is energy and food self-sufficient and
7 sustainable to the maximum extent feasible; and
- 8 (3) Plan for and implement measures to help Hawaii's
9 natural resources and humankind adapt and be resilient
10 to the inevitable challenges brought on by climate
11 change caused by carbon dioxide and other greenhouse
12 gas emissions from burning fossil fuels.

13 Hawaii is at a crossroads. As the most geographically
14 isolated state in the country, we are dangerously dependent on
15 imports for basic food and energy needs. We import about
16 eighty-five per cent of our food and ninety-five per cent of our
17 energy. It has been estimated that Hawaii exported



1 \$8,600,000,000 for food and oil in 2008, and every dollar
2 exported is a lost opportunity to support and invest in local
3 business. Our dependence on imports also exposes residents and
4 businesses to volatile food and energy costs as oil prices
5 fluctuate.

6 In addition, the mass consumption of fossil fuels, driven
7 by our dependence on food and energy imports, contributes to
8 climate change and the deterioration of the environment, and
9 anticipated conditions such as more severe storm events, overall
10 less rainfall, warmer temperatures that may favor invasive
11 species, sea level rise, and ocean acidification that hampers
12 coral growth. These climate changes will likely impose major
13 but not fully understood costs and other impacts on Hawaii's
14 people and the natural capital we depend upon to support our
15 lives in the middle of the Pacific. Nowhere is it more obvious
16 than in remote islands like Hawaii that our lives and economy
17 are intertwined with the health and function of the natural
18 world around us.

19 Although Hawaii is home to renewable energy resources like
20 solar, wind, ocean, and geothermal, we as a community have not
21 taken full advantage of alternative energy and energy efficiency
22 solutions to make our State more energy independent. As an



1 example, despite year-round sunshine, only thirty per cent of
2 Hawaii's residents have solar water heaters.

3 Similarly, many acres of highly productive agricultural
4 lands are not being farmed. Currently, Hawaii has a fresh
5 supply of produce for no more than ten days. Ninety per cent of
6 the beef, sixty-seven per cent of fresh vegetables, sixty-five
7 per cent of fresh fruits, and seventy per cent of milk consumed
8 in this state are imported. While Hawaii may never produce one
9 hundred per cent of its food, the risks and costs to society by
10 this dependence on imported food cannot be ignored.

11 Like energy, producing local food would reduce Hawaii's
12 demand for fossil fuels, keep money in our community, and
13 decrease the vulnerability to food supply disruptions caused by
14 natural disasters or worldwide economic events.

15 Now is the time for bold action to squarely address
16 Hawaii's energy and food requirements and plan for and address
17 the inevitable effects of climate change. It will require
18 long-term commitment, dedication, and investment by government,
19 the private sector, and Hawaii's people to dramatically shift
20 our present course of importing food and energy toward a more
21 energy independent and agriculturally sustainable society. As a
22 state and as a people, we must decide whether we will continue



1 to be dependent on external sources for our basic needs, or
2 whether we will build, invest in, and develop the capacity to
3 become food and energy independent.

4 The legislature finds that it is in the best interests of
5 Hawaii's people to build the capacity we need to become energy
6 and food self-sufficient, and protect the health and function of
7 our environment. As discussed in the Hawaii 2050 Sustainability
8 Plan and Hawaii Clean Energy Initiative, Hawaii has all the
9 necessary assets to significantly improve sustainability and
10 independence over the next twenty years if appropriate personnel
11 resources and sustainable funding are used wisely. To succeed,
12 the State must ensure that our long-term strategy is well-
13 resourced, coordinated, and focused.

14 This Act creates a Hawaii economic development task force
15 to accelerate and support public and private efforts to make
16 Hawaii energy and food self-sufficient, consistent with the
17 Hawaii 2050 Sustainability Plan, the Hawaii Clean Energy
18 Initiative, and other government and community planning efforts.
19 The Hawaii economic development task force shall recommend
20 priorities for government agencies within the executive branch
21 and the legislature in determining how funds may be allocated,
22 reviewing an existing or developing an overall road map to



1 implement and achieve the purpose of this Act, and identifying
2 the economic development, workforce, and consumer education
3 issues relating to the production of food and energy.

4 The legislature intends that the Hawaii economic
5 development task force take an interdisciplinary approach to
6 seek the most efficient and effective pathways for interagency
7 coordination. The Hawaii economic development task force shall
8 work collaboratively with all levels of government and the
9 private and nonprofit sectors to address water, land,
10 regulatory, and natural resource issues intertwined with food
11 and fuel production. Such an approach ensures that energy and
12 food policy development is integrated within the overall
13 economic, social, environmental, and cultural aspects of
14 society. With an understanding of these overlapping goals and
15 resources, our State can maximize the opportunities to ensure
16 food and energy security for generations to come.

17 The Act also establishes a clean energy initiative to
18 manage the State's transition to a clean energy economy, an
19 agricultural development and food security special fund to fund
20 activities intended to increase agricultural production or
21 processing that may lead to reduced importation of food, fodder,
22 or feed from outside the State, and establishes a renewable



1 energy branch in the department of business, economic
2 development, and tourism, to coordinate and promote renewable
3 energy initiatives.

4 The legislature finds that undertaking this important task
5 of energy and food security requires substantial financial
6 resources. An investment and long-term commitment by the State
7 must be made. To that end, this Act also increases the per-
8 barrel tax on petroleum products under the environmental
9 response, energy, and food security tax, formerly known as the
10 environmental response tax, and appropriates funds from that tax
11 for the energy and food security initiatives established by this
12 Act.

13 **PART II**

14 **ENVIRONMENTAL RESPONSE, ENERGY, AND FOOD SECURITY TAX**

15 SECTION 2. Section 128D-2, Hawaii Revised Statutes, is
16 amended to read as follows:

17 **"§128D-2 Environmental response revolving fund; uses. (a)**

18 There is created within the state treasury an environmental
19 response revolving fund, which shall consist of moneys
20 appropriated to the fund by the legislature, moneys paid to the
21 fund as a result of departmental compliance proceedings, moneys
22 paid to the fund pursuant to court-ordered awards or judgments,



1 moneys paid to the fund in court-approved or out-of-court
2 settlements, all interest attributable to investment of money
3 deposited in the fund, moneys [~~generated by~~] deposited in the
4 fund from the environmental response, energy, and food security
5 tax [established in] pursuant to section 243-3.5, and moneys
6 allotted to the fund from other sources [~~provided that when the~~
7 ~~total balance of the fund exceeds \$20,000,000, the department of~~
8 ~~health shall notify the department of taxation of this fact in~~
9 ~~writing within ten days. The department of taxation then shall~~
10 ~~notify all distributors liable for collecting the tax imposed by~~
11 ~~section 243 3.5 of this fact in writing, and the imposition of~~
12 ~~the tax shall be discontinued beginning the first day of the~~
13 ~~second month following the month in which notice is given to the~~
14 ~~department of taxation. If the total balance of the fund~~
15 ~~thereafter declines to less than \$3,000,000, the department of~~
16 ~~health shall notify the department of taxation which then shall~~
17 ~~notify all distributors liable for collecting the tax imposed by~~
18 ~~section 243 3.5 of this fact in writing, and the imposition of~~
19 ~~the tax shall be reinstated beginning the first day of the~~
20 ~~second month following the month in which notice is given to the~~
21 ~~department of taxation].~~



1 (b) Moneys from the fund shall be expended by the
2 department for response actions and preparedness, including
3 removal and remedial actions, consistent with this chapter;
4 provided that the revenues generated by the [~~"environmental
5 response tax" and~~] environmental response, energy, and food
6 security tax deposited into the environmental response revolving
7 fund:

8 (1) Shall [~~also~~] be used:

9 (A) For oil spill planning, prevention, preparedness,
10 education, research, training, removal, and
11 remediation; and

12 (B) For direct support for county used oil recycling
13 programs; and

14 [~~(C) For deposit into the energy security special
15 fund, established under section 201-12.8, as may
16 be appropriated by the legislature; and~~]

17 (2) May also be used to support environmental protection
18 and natural resource protection programs, including
19 [~~but not limited to~~] energy conservation and
20 alternative energy development, and to address
21 concerns related to air quality, global warming, clean
22 water, polluted runoff, solid and hazardous waste,



1 drinking water, and underground storage tanks,
 2 including support for the underground storage tank
 3 program of the department and funding for the
 4 acquisition by the State of a soil remediation site
 5 and facility."

6 SECTION 3. Section 201-12.8, Hawaii Revised Statutes, is
 7 amended to read as follows:

8 "~~[+]§201-12.8[+]~~ **Energy security special fund; uses.** (a)

9 There is created within the state treasury an energy security
 10 special fund, which shall consist of:

11 (1) The portion of the environmental response, energy, and
 12 food security tax specified under section 243-3.5;

13 ~~[(1)]~~ (2) Moneys appropriated to the fund by the
 14 legislature;

15 ~~[(2)]~~ (3) All interest attributable to investment of money
 16 deposited in the fund; and

17 ~~[(3)]~~ (4) Moneys allotted to the fund from other sources.

18 (b) ~~[Moneys]~~ Subject to legislative appropriation, moneys
 19 from the fund ~~[shall]~~ may be expended by the department of
 20 business, economic development, and tourism for the following
 21 purposes and ~~[shall be]~~ used for no other purposes except for
 22 those set forth in this section:



- 1 (1) To support [~~its~~] the Hawaii clean energy initiative
2 program, including its energy division and projects
3 that ensure dependable, efficient, and economical
4 energy, promote energy self-sufficiency, and provide
5 greater energy security for the State; [~~and~~]
- 6 (2) To fund the renewable energy facilitator pursuant to
7 section 201-12.5 and any other positions necessary for
8 the purposes of paragraph (1) as determined by the
9 legislature[~~-~~]; and
- 10 (3) To fund, to the extent possible, the greenhouse gas
11 emissions reduction task force, climate change task
12 force, grants-in-aid to the economic development
13 boards of each county, and grants-in-aid to economic
14 development agencies of each county to meet the stated
15 objectives of the Hawaii clean energy initiative
16 program.
- 17 (c) The department of business, economic development, and
18 tourism shall submit a report to the legislature no later than
19 twenty days prior to the convening of each regular session, on
20 the status and progress of existing programs and activities, and
21 the status of new programs and activities funded by the energy
22 security special fund. The report shall also include the



1 spending plan of the energy security special fund, all
2 expenditures of energy security special fund moneys, the
3 targeted markets including why those markets were selected and
4 who will be served and why, the specific objectives of the
5 expenditures, and measurable outcomes."

6 SECTION 4. Section 243-3.5, Hawaii Revised Statutes, is
7 amended as follows:

8 1. By amending its title and subsection (a) to read:

9 "**§243-3.5 Environmental response, energy, and food**
10 **security tax; uses.** (a) In addition to any other taxes
11 provided by law, subject to the exemptions set forth in section
12 243-7, there is hereby imposed [~~at times provided in section~~
13 ~~128D-2~~] a state environmental response, energy, and food
14 security tax of [5-cents] \$1.05 (one dollar and five cents) on
15 each barrel or fractional part of a barrel of petroleum product
16 sold by a distributor to any retail dealer or end user, other
17 than a refiner, of petroleum product; provided that each barrel
18 or fractional part of a barrel of petroleum product sold by a
19 distributor to any retail dealer or end user, other than a
20 refiner, of petroleum product that is aviation fuel shall be
21 subject to a state environmental response, energy, and food



1 security tax of 5 cents; provided further that of the tax
2 collected pursuant to this subsection:

3 (1) 5 cents of the tax on each barrel, including all tax
4 revenues received under this section for the sale of
5 aviation fuel shall be [used pursuant to section
6 128D-2 to address concerns relating to drinking
7 water.] deposited into the environmental response
8 revolving fund established under section 128D-2;

9 (2) 55 cents of the tax on each barrel shall be deposited
10 into the energy security special fund established
11 under section 201-12.8;

12 (3) 10 cents of the tax on each barrel shall be deposited
13 into the energy systems development special fund
14 established under section 304A-2169; and

15 (4) 35 cents of the tax on each barrel shall be deposited
16 into the agricultural development and food security
17 special fund established under section 141- .

18 The tax imposed by this subsection shall be paid by the
19 distributor of the petroleum product."

20 2. By amending subsection (c) to read:

21 "(c) Notwithstanding section 248-8 to the contrary, the
22 environmental response, energy, and food security tax collected



1 under this section shall be paid over to the director of finance
2 for deposit [~~into the environmental response revolving fund~~
3 ~~established by section 128D-2.~~] as provided in subsection (a)."

4 SECTION 5. Section 243-7, Hawaii Revised Statutes, is
5 amended to read as follows:

6 **"§243-7 Tax not applicable, when.** (a) This chapter
7 requiring the payment of license fees shall not be held or
8 construed to apply to fuel imported into the State in interstate
9 or foreign commerce while and so long as such fuel is beyond the
10 taxing power of the State, nor to any such fuel exported or sold
11 to the government of the United States or any department thereof
12 for official use of the government, nor to any fuel exported or
13 sold to another licensed distributor; but every distributor
14 shall be required to report such imports, exports, and sales as
15 provided by this chapter and in such detail as the department of
16 taxation shall require.

17 (b) This chapter shall not apply to the sale of liquid
18 fuel sold or used in the State for ultimate use by an intra-
19 county ferry service that serves a county with a population of
20 less than five hundred thousand residents and that includes at
21 least three islands inhabited by permanent residents.



1 (c) This chapter shall not apply to the sale of petroleum
2 product that is used by a provider of commercial air
3 transportation to transport persons or property."

4 SECTION 6. Section 304A-2169, Hawaii Revised Statutes, is
5 amended by amending subsection (b) to read as follows:

6 "(b) The special fund shall be funded by:

7 (1) Appropriations from the legislature; [and]

8 (2) The portion of the environmental response, energy, and
9 food security tax specified under section 243-3.5; and

10 ~~[(2)]~~ (3) Investment earnings, gifts, donations, or other
11 income received by the [Hawaii natural energy]
12 institute."

PART III

HAWAII ECONOMIC DEVELOPMENT TASK FORCE

15 SECTION 7. (a) There is established the Hawaii economic
16 development task force within the department of business,
17 economic development, and tourism for administrative purposes.
18 The purpose of the Hawaii economic development task force shall
19 be to facilitate the accelerated adoption and completion of
20 renewable energy projects, energy efficiency programs,
21 agricultural infrastructure and development, and other measures
22 to meet the purposes of this Act. The Hawaii economic



1 development task force shall develop and maintain a broad
2 overview of energy and food security issues that apply an
3 interdisciplinary approach to ensure that Hawaii's energy and
4 food policy and program development is integrated within the
5 overall economic, social, environmental, and cultural aspects of
6 society. The Hawaii economic development task force shall, with
7 the assistance of the department of business, economic
8 development, and tourism:

- 9 (1) Identify and review each state and county agency's
10 policy objectives, mandates, organizational structure,
11 and resources to address energy and food security
12 issues;
- 13 (2) Identify all federal and private funds available to
14 the State and counties to address energy and food
15 security issues;
- 16 (3) Identify effective measures for interagency
17 cooperation, coordinate efforts with the counties, and
18 bolster public and private sector partnerships to
19 achieve the objective of energy and food security;
- 20 (4) Identify existing programs and agreements addressing
21 energy and food security that may be enhanced through
22 legislation;



- 1 (5) Investigate alternative institutional mechanisms to
2 promote the efficient execution and implementation of
3 a multi-year strategy to achieve energy and food
4 security;
- 5 (6) Investigate the streamlining of administrative
6 processes to accelerate and achieve energy and food
7 security;
- 8 (7) Provide an appropriate forum for all affected or
9 interested parties to address energy and food security
10 issues;
- 11 (8) Recommend appropriate legislation resulting from its
12 findings to improve, accelerate, and achieve the
13 objective of energy and food security;
- 14 (9) Review whether:
 - 15 (A) The apportionment of the environmental response,
16 energy, and food security tax among the funds
17 listed under section 243-3.5, Hawaii Revised
18 Statutes, is appropriate;
 - 19 (B) The apportionment should be changed; and
 - 20 (C) Any additional special, trust, or revolving fund
21 should receive a share of the tax;
- 22 and



1 (10) Perform any other function necessary to effectuate the
2 purposes of this part.

3 (b) The Hawaii economic development task force shall
4 consist of the following members:

5 (1) The director of business, economic development, and
6 tourism or the director's designee, who shall chair
7 the Hawaii economic development task force;

8 (2) The chairperson of the board of agriculture or the
9 chairperson's designee;

10 (3) The director of the office of planning or the
11 director's designee;

12 (4) The chairperson of the board of land and natural
13 resources or the chairperson's designee;

14 (5) The dean of the University of Hawaii college of
15 tropical agriculture and human resources or the dean's
16 designee;

17 (6) The speaker of the house of representatives or the
18 speaker's designee;

19 (7) The president of the senate or the president's
20 designee; and

21 (8) A representative from each private county economic
22 development board.



1 (c) The Hawaii economic development task force's members
2 shall serve without compensation but shall be reimbursed for
3 expenses, including travel expenses, necessary for the
4 performance of their duties.

5 (d) In the performance of its duties, the Hawaii economic
6 development task force shall consult with appropriate private,
7 nonprofit, community, and government stakeholders.

8 (e) The department of business, economic development, and
9 tourism may contract with the University of Hawaii for any
10 services to support the work of the Hawaii economic development
11 task force.

12 (f) The Hawaii economic development task force shall
13 submit a report of its findings and recommendations, including
14 any proposed legislation, to the legislature no later than
15 twenty days prior to the convening of the regular session of
16 2011.

17 The task force also shall submit a follow-up report to the
18 legislature no later than twenty days prior to the convening of
19 the regular session of 2012. The report shall include a
20 description of the activities funded by the environmental
21 response, energy, and food security tax, progress made toward



1 energy and food self-sufficiency, and additional action
2 necessary to achieve energy and food self-sufficiency.

3 (g) The Hawaii economic development task force shall cease
4 to exist on June 30, 2012.

5 SECTION 8. Notwithstanding section 201-12.8(b), Hawaii
6 Revised Statutes, there is appropriated out of the energy
7 security special fund the sum of \$ or so much thereof
8 as may be necessary for fiscal year 2010-2011 for the purpose of
9 supporting the work of the Hawaii economic development task
10 force. The appropriation shall be made from the portion of the
11 environmental response, energy, and food security tax that is
12 deposited into the energy security special fund.

13 The sum appropriated shall be expended by the department of
14 business, economic development, and tourism for the purposes of
15 this part.

16 PART IV

17 AGRICULTURAL DEVELOPMENT AND FOOD SECURITY

18 SECTION 9. Chapter 141, Hawaii Revised Statutes, is
19 amended by adding a new section to be appropriately designated
20 and to read as follows:

21 "§141- Agricultural development and food security
22 special fund; establishment. (a) There is established within



1 the state treasury the agricultural development and food
2 security special fund.

3 (b) The following shall be deposited into the special
4 fund:

5 (1) The portion of the environmental response, energy, and
6 food security tax specified under section 243-3.5;

7 (2) Any appropriation by the legislature into the special
8 fund;

9 (3) Any grant or donation made to the special fund; and

10 (4) Any interest earned on the balance of the special
11 fund.

12 (c) Subject to legislative appropriation, moneys in the
13 special fund may be expended for the following purposes:

14 (1) The awarding of grants to farmers for agricultural
15 production or processing activity;

16 (2) The acquisition of real property for agricultural
17 production or processing activity;

18 (3) The improvement of real property, irrigation systems,
19 and transportation networks necessary to promote
20 agricultural production or processing activity;

21 (4) The purchase of equipment necessary for agricultural
22 production or processing activity;



- 1 (5) The conduct of research on and testing of agricultural
- 2 products and markets;
- 3 (6) The promotion and marketing of agricultural products
- 4 grown or raised in the state; and
- 5 (7) Any other activity intended to increase agricultural
- 6 production or processing that may lead to reduced
- 7 importation of food, fodder, or feed from outside the
- 8 state.

9 (d) The department of agriculture shall submit a report to
10 the legislature no later than twenty days prior to the convening
11 of each regular session, on the status and progress of existing
12 programs and activities, and the status of new programs and
13 activities funded under the agricultural development and food
14 security special fund. The report shall also include the
15 spending plan of the agricultural development and food security
16 special fund, all expenditures of agricultural development and
17 food security special fund moneys, the targeted markets
18 including why those markets were selected and who will be served
19 and why, the specific objectives of the expenditures, and
20 measurable outcomes."

21 SECTION 10. There is appropriated out of the agricultural
22 development and food security special fund the sum of



1 \$ or so much thereof as may be necessary for fiscal
2 year 2010-2011 for the purpose of supporting the following
3 projects:

4 (1) \$ for Varroa mite control and eradication
5 efforts;

6 (2) \$ for the operation of pest inspection,
7 quarantine, eradication, biosecurity, and monitoring
8 programs, related facilities, and the execution of
9 emergency remedial measures when pests are detected in
10 the course of inspection and quarantine activities by
11 the department of agriculture;

12 (3) \$ for the expansion of the food safety and
13 security program administered by the department of
14 agriculture;

15 (4) \$ for the livestock revitalization and food
16 security program under chapter 155D, Hawaii Revised
17 Statutes;

18 (5) \$ for improvements to the lower Hamakua
19 ditch in Hawaii county;

20 (6) \$ for the construction of an agricultural
21 water main distribution pipeline in the upcountry Maui
22 watershed;



- 1 (7) \$ for the construction of the Kealahou
- 2 pipeline in the upcountry Maui watershed; and
- 3 (8) \$ for the planning phase of the state
- 4 agricultural water use and development plan.

5 The sum appropriated shall be expended by the department of
 6 agriculture for the purpose of this section. Any part of the
 7 sum appropriated in this section may be used to match federal
 8 funds.

PART V

HAWAII CLEAN ENERGY INITIATIVE

11 SECTION 11. Chapter 196, Hawaii Revised Statutes, is
 12 amended by adding a new section to be appropriately designated
 13 and to read as follows:

14 "§196- Hawaii clean energy initiative program. (a)

15 There is established, within the department of business,
 16 economic development, and tourism, a Hawaii clean energy
 17 initiative program to manage the State's transition to a clean
 18 energy economy. The clean energy program shall design,
 19 implement, and administer activities that include:

- 20 (1) Strategic partnerships for the research, development,
- 21 testing, deployment, and permitting of clean and
- 22 renewable technologies;



- 1 (2) Engineering and economic evaluations of Hawaii's
2 potential for near-term project opportunities for the
3 State's renewable energy resources;
- 4 (3) Electric grid reliability and security projects that
5 will enable the integration of a substantial increase
6 of electricity from renewable energy resources;
- 7 (4) A statewide clean energy public education and outreach
8 plan to be developed in coordination with Hawaii's
9 public education institutions;
- 10 (5) Promotion of Hawaii's clean and renewable resources to
11 potential partners and investors;
- 12 (6) A plan, for implementation during the years 2011 to
13 2030, to transition the State to a clean energy
14 economy; and
- 15 (7) A plan to assist each county for the implementation
16 during the years 2011 to 2030, to transition each
17 county to a clean energy economy.
- 18 (b) Prior to the initiation of any activities authorized
19 under subsection (a), the department of business, economic
20 development, and tourism shall develop a plan of action with the
21 intent of promoting effective prioritization and focusing of



1 efforts consistent with the State's energy programs and
2 objectives.

3 The department of business, economic development, and
4 tourism shall submit a report to the legislature no later than
5 twenty days prior to the convening of each regular session, on
6 the status and progress of existing clean energy initiatives,
7 and the status of new initiatives. The report shall also
8 include the spending plan of the Hawaii clean energy initiative
9 program, all expenditures of energy security special fund
10 moneys, the targeted markets including why those markets were
11 selected and who will be served and why, and the specific
12 objectives of the program and program expenditures, and
13 measurable outcomes."

14 SECTION 12. There is appropriated out of the energy
15 security special fund the sum of \$ or so much thereof
16 as may be necessary for fiscal year 2010-2011 to provide seven
17 positions for and otherwise support the Hawaii clean energy
18 initiative of the department of business, economic development,
19 and tourism.

20 The sum appropriated shall be expended by the department of
21 business, economic development, and tourism for the purposes of
22 this section.



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

PART VI

RENEWABLE ENERGY

SECTION 13. The purpose of this part is to support the renewable energy industry in Hawaii by:

- (1) Establishing a renewable energy branch in the department of business, economic development, and tourism to coordinate and promote renewable energy initiatives;
- (2) Strengthening laws supporting energy diversification, long-term provision of dependable energy services, and use of diverse energy technologies; and
- (3) Providing adequate resources to support the renewable energy industry, and renewable energy planning and programs in the department of business, economic development, and tourism.

SECTION 14. Chapter 201, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§201- Renewable energy branch; establishment. (a)

There is established a renewable energy branch within the department.

(b) Branch functions shall include:



- 1 (1) Renewable energy resource assessments, technical
2 analyses, and resource development functions,
3 including design, management, and completion of
4 systematic analysis of existing and proposed energy
5 resource programs;
- 6 (2) Evaluation of analyses conducted by government
7 agencies and other organizations;
- 8 (3) Development and management of programs to encourage
9 public and private exploration, research, and
10 commercial development of renewable energy resources;
- 11 (4) Project facilitation functions, including the
12 development and implementation of programs to
13 facilitate the efficient permitting of renewable
14 energy projects;
- 15 (5) Renewable energy partnership and outreach functions,
16 including participation in renewable and sustainable
17 energy evaluation and demonstration projects,
18 outreach, and other activities to promote technically,
19 economically, and environmentally feasible
20 technologies and projects;
- 21 (6) Renewable energy resource, technology, and project
22 viability consultant functions, including serving as a



1 consultant to the governor, public agencies, and
2 private industry on matters related to the use of
3 Hawaii's renewable energy resources; and
4 (7) Research, reporting, implementation, and support of
5 renewable and transportation energy related laws."

6 SECTION 15. Section 201-12.5, Hawaii Revised Statutes, is
7 amended by amending subsection (a) to read as follows:

8 "(a) There is established within the department of
9 business, economic development, and tourism the position of
10 renewable energy facilitator, which shall be a full-time,
11 [~~temporary~~] permanent position exempt from chapters 76 and 89.
12 The renewable energy facilitator shall possess a requisite level
13 of knowledge and expertise in the areas of renewable energy,
14 state and county permitting processes, and management necessary
15 to carry out the duties of the position."

16 SECTION 16. There is established within the department of
17 business, economic development, and tourism, the position of
18 energy program administrator. The position shall be a full-time
19 position exempt from chapters 76 and 89, Hawaii Revised
20 Statutes.

21 SECTION 17. There are established within the department of
22 business, economic development, and tourism seven full-time



1 temporary positions to support the planning and renewable energy
2 provisions of chapters 196, 201, and 226, Hawaii Revised
3 Statutes. The positions shall be exempt from chapters 76 and
4 89, Hawaii Revised Statutes.

5 SECTION 18. Subject to the availability of federal funding
6 for energy programs provided by grants, and subject to the
7 constraints, oversight, and reporting requirements of those
8 federal programs, the governor is hereby authorized to establish
9 positions necessary to accomplish the management of those energy
10 projects funded by federal grants; provided that the positions
11 shall be exempt from chapters 76 and 89, Hawaii Revised
12 Statutes; and provided further that the governor shall submit a
13 report to the legislature on all positions established as of
14 December 31 and June 30 of each fiscal year that the positions
15 exist and are occupied.

16 SECTION 19. There is appropriated out of the energy
17 security special fund the sum of \$ or so much thereof
18 as may be necessary for fiscal year 2010-2011 for the department
19 of business, economic development, and tourism to fill the
20 permanent, full-time equivalent (1.00 FTE) renewable energy
21 facilitator position established in section 201-12.5, Hawaii
22 Revised Statutes.



1 The sum appropriated shall be expended by the department of
2 business, economic development, and tourism for the purposes of
3 this part.

4 SECTION 20. There is appropriated out of the energy
5 security special fund the sum of \$ or so much thereof
6 as may be necessary for fiscal year 2010-2011 for the department
7 of business, economic development, and tourism to fill the
8 permanent, full-time equivalent (1.00 FTE) energy program
9 administrator position established in section 15.

10 The sum appropriated shall be expended by the department of
11 business, economic development, and tourism for the purposes of
12 this part.

13 SECTION 21. There is appropriated out of the energy
14 security special fund established pursuant to section 201-12.8,
15 Hawaii Revised Statutes, the sum of \$ or so much
16 thereof as may be necessary for fiscal year 2010-2011 for the
17 seven full-time, temporary positions, established under section
18 16.

19 The sum appropriated shall be expended by the department of
20 business, economic development, and tourism for the purposes of
21 this part.

22 PART VII



GREENHOUSE GAS EMISSIONS REDUCTION TASK FORCE

SECTION 22. There is appropriated out of the energy security special fund, established pursuant to section 201-12.8, Hawaii Revised Statutes, the sum of \$ or so much thereof as may be necessary for fiscal year 2010-2011 for the greenhouse gas emissions reduction task force established pursuant to Act 234, Session Laws of Hawaii 2007.

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

PART VIII

SECTION 23. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun, before its effective date.

SECTION 24. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 25. This Act shall take effect on July 1, 2010.

9 Feb 08

INTRODUCED BY:

Michelle D. Sedani

Will Eyo

Chamakrishnan

Mike Gellert

Numan Sakens

Ray L. Hoover



S. S. S. S.

S.B. NO. 2875

D
Russell Kohl



Report Title:

Food and Energy Security; Appropriation

Description:

Makes various amendments, establishes various initiatives, and appropriates funds to promote economic development for local food and energy businesses, ensure Hawaii is energy and food self-sufficient and sustainable to the maximum extent feasible, and help Hawaii's natural resources and humankind adapt and be resilient to the inevitable challenges brought on by climate change. Provides a fuel tax exemption for commercial air transportation providers.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

