

---

---

# A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY.

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

1           SECTION 1. The purpose of this Act is to support the  
2 renewable energy industry in Hawaii by:

3           (1) Establishing a renewable energy branch in the  
4 department of business, economic development, and  
5 tourism to coordinate and promote renewable energy  
6 initiatives;

7           (2) Strengthening statutes supporting energy  
8 diversification, a longer term view of what is  
9 reasonable in energy planning, and utilization of  
10 energy technologies; and

11           (3) Providing adequate resources for the support of the  
12 renewable energy industry, and for comprehensive  
13 energy planning, in the department of business,  
14 economic development, and tourism.

15           SECTION 2. Chapter 201, Hawaii Revised Statutes, is  
16 amended by adding two new sections to be appropriately  
17 designated and to read as follows:

1        "§201- Renewable energy branch; established. (a) There  
2 is established, within the department of business, economic  
3 development, and tourism, a renewable energy branch.

4        (b) Branch functions shall include, but not be limited to:

5        (1) Renewable energy resource assessments, technical  
6 analyses, and resource development functions,  
7 including design, management, and completion of  
8 systematic analysis of existing and proposed energy  
9 resource programs; evaluation of analyses conducted by  
10 government agencies and other organizations;  
11 formulation of plans for the optimum development of  
12 Hawaii's renewable energy resources; and the  
13 development and management of programs to encourage  
14 private and public exploration, research, and  
15 commercial development of renewable energy resources;

16        (2) Project facilitation functions, including the  
17 development and implementation of programs to  
18 facilitate the efficient permitting of renewable  
19 energy projects;

20        (3) Renewable energy partnership and outreach functions,  
21 including participation in renewable and sustainable  
22 energy evaluation and demonstration projects,

1           outreach, and other activities to promote technically,  
2           economically, and environmentally feasible  
3           technologies and projects;

4        (4) Renewable energy resource, technology, and project  
5           viability consultant functions, including serving as a  
6           consultant to the governor, public agencies, and  
7           private industry on matters related to the utilization  
8           of Hawaii's renewable energy resources; and

9        (5) Research, reporting, implementation, and support of  
10           renewable and transportation energy related statutes,  
11           laws, acts, rules, regulations, and initiatives.

12        §201-     **Energy program personnel; establishment.**  There  
13        are established within the department of business, economic  
14        development, and tourism seven full-time, temporary positions  
15        exempt from chapters 76 and 89 to support the planning and  
16        renewable energy provisions of this chapter."

17        SECTION 3.  Section 196-4, Hawaii Revised Statutes, is  
18        amended to read as follows:

19        "**§196-4 Powers and duties.**  Subject to the approval of the  
20        governor, the coordinator shall:

21           (1)  Formulate plans, including objectives, criteria to  
22           measure accomplishment of objectives, programs through

- 1           which the objectives are to be attained, and financial  
2           requirements for the optimum development of Hawaii's  
3           energy resources;
- 4           (2) Conduct systematic analysis of existing and proposed  
5           energy resource programs, evaluate the analysis  
6           conducted by government agencies and other  
7           organizations, and recommend [~~to the governor and to~~  
8           ~~the legislature~~] programs [~~which~~] that represent the  
9           most effective allocation of resources for the  
10          development of energy sources;
- 11          (3) Formulate and recommend specific proposals, as  
12          necessary, for conserving energy and fuel, including  
13          the allocation and distribution thereof[, ~~to the~~  
14          ~~governor and to the legislature~~];
- 15          (4) Assist public and private agencies in implementing  
16          energy conservation and efficiency programs, the  
17          development of indigenous energy resources, and  
18          related measures;
- 19          (5) Coordinate the State's energy [~~conservation and~~  
20          ~~allocation~~] programs with [~~that~~] those of the federal  
21          government, other state governments, governments of

- 1           nations with interest in common energy resources, and  
2           the political subdivisions of the State;
- 3           (6) Develop programs to encourage private and public  
4           exploration [~~and~~], research, and development of  
5           [~~alternative~~] indigenous energy resources [~~which~~] that  
6           will benefit the State;
- 7           (7) Conduct public education programs to inform the public  
8           of the energy situation as may exist from time to time  
9           and of the government actions taken thereto;
- 10          (8) Serve as consultant to the governor, public agencies,  
11          and private industry on energy-related matters  
12          [~~related to the acquisition, utilization and~~  
13          ~~conservation of energy resources~~];
- 14          (9) Contract for services when required for implementation  
15          of this chapter;
- 16          (10) Review proposed state actions which the coordinator  
17          finds to have significant effect on [~~energy~~  
18          ~~consumption~~] the State's energy objectives and report  
19          to the governor their effect on the energy  
20          [~~conservation~~] program, and perform [~~such~~] other  
21          services as may be required by the governor and the  
22          legislature;

- 1 (11) Prepare and submit an annual report and [~~such~~] other  
2 reports as may be requested to the governor and to the  
3 legislature on the implementation of this chapter and  
4 all matters related to energy resources; [~~and~~]
- 5 (12) Formulate a systematic process, including the  
6 development of requirements, to identify geographic  
7 areas that are rich with renewable energy resource  
8 potential that can be developed in a cost-effective  
9 and environmentally benign manner, and designate areas  
10 as renewable energy zones;
- 11 (13) Develop and recommend incentives, plans, and programs  
12 to encourage the development of renewable energy  
13 resource projects within the renewable energy zones;
- 14 (14) Assist public and private agencies in identifying the  
15 utility transmission projects and infrastructure that  
16 are required to accommodate and facilitate the  
17 development of renewable energy resources;
- 18 (15) Assist public and private agencies in coordination  
19 with the department of budget and finance in accessing  
20 use of special purpose revenue bonds to finance the  
21 engineering, design, and construction of transmission

1           projects and infrastructure that are deemed critical  
2           to the development of renewable energy resources;  
3       (16) Develop the criteria or requirements for identifying  
4           and qualifying specific transmission projects or  
5           infrastructure that are critical to the development of  
6           renewable energy resources, and which the energy  
7           resources coordinator shall assist in accessing the  
8           use of special purpose revenue bonds to finance the  
9           projects or infrastructure; and

10       ~~[(12)]~~ (17) Adopt rules for the administration of this  
11           chapter pursuant to chapter 91~~[, provided that the~~  
12           ~~rules shall be submitted to the legislature for~~  
13           ~~review]."~~

14           SECTION 4. Section 226-18, Hawaii Revised Statutes, is  
15       amended to read as follows:

16           "**§226-18 Objectives and policies for facility systems--**  
17       **energy.** (a) Planning for the State's facility systems with  
18       regard to energy shall be directed toward the achievement of the  
19       following objectives, giving due consideration to all:

20           (1) Dependable, efficient, and economical statewide energy  
21           systems capable of supporting the needs of the people;

1 (2) Increased energy self-sufficiency where the ratio of  
2 indigenous to imported energy use is increased;

3 (3) Greater energy security and diversification in the  
4 face of threats to Hawaii's energy supplies and  
5 systems; and

6 (4) Reduction, avoidance, or sequestration of greenhouse  
7 gas emissions from energy supply and use.

8 (b) To achieve the energy objectives, it shall be the  
9 policy of this State to ensure the short- and long-term  
10 provision of adequate, reasonably priced, and dependable energy  
11 services to accommodate demand.

12 (c) To further achieve the energy objectives, it shall be  
13 the policy of this State to:

14 (1) Support research and development as well as promote  
15 the use of renewable energy sources;

16 (2) Ensure that the combination of energy supplies and  
17 energy-saving systems is sufficient to support the  
18 demands of growth;

19 (3) Base decisions of least-cost supply-side and demand-  
20 side energy resource options on a comparison of their  
21 total costs and benefits [~~when a~~], where least-cost is  
22 determined by a reasonably comprehensive,



- 1 quantitative, and qualitative accounting of [~~their~~  
2 the long-term, direct and indirect economic,  
3 environmental, social, cultural, and public health  
4 costs and benefits;
- 5 (4) Promote all cost-effective conservation of power and  
6 fuel supplies through measures, including:
- 7 (A) Development of cost-effective demand-side  
8 management programs;
- 9 (B) Education; and
- 10 (C) Adoption of energy-efficient practices and  
11 technologies;
- 12 (5) Ensure, to the extent that new supply-side resources  
13 are needed, that the development or expansion of  
14 energy systems uses the least-cost energy supply  
15 option and maximizes efficient technologies;
- 16 (6) Support research, development, [~~and~~] demonstration,  
17 and utilization of energy efficiency, load management,  
18 and other demand-side management programs, practices,  
19 and technologies;
- 20 (7) Promote alternate fuels and transportation energy  
21 efficiency [~~by encouraging diversification of~~  
22 ~~transportation modes and infrastructure~~];

- 1           (8) Support actions that reduce, avoid, or sequester  
2           greenhouse gases in utility, transportation, and  
3           industrial sector applications;
- 4           (9) Support actions that reduce, avoid, or sequester  
5           Hawaii's greenhouse gas emissions through agriculture  
6           and forestry initiatives; and
- 7           (10) Provide priority handling and processing for all state  
8           and county permits required for renewable energy  
9           projects."

10           SECTION 5. There is appropriated out of the general  
11 revenues of the State of Hawaii the sum of \$393,518 or so much  
12 thereof as may be necessary for each year of the fiscal biennium  
13 2009-2011, to be deposited into the energy security special  
14 fund.

15           SECTION 6. There is appropriated out of the energy  
16 security special fund the sum of \$393,518 or so much thereof as  
17 may be necessary for each year of the fiscal biennium 2009-2011,  
18 for seven (7.00 FTE) full-time, temporary energy analysts.

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

**1** SECTION 7. Statutory material to be repealed is bracketed  
**2** and stricken. New statutory material is underscored.

**3** SECTION 8. This Act shall take effect on July 1, 2009.

**Report Title:**

Renewable Energy; DBEDT Division

**Description:**

Establishes a renewable energy branch in the department of business, economic development, and tourism to coordinate and promote renewable energy initiatives. (SD1)