

STAND. COM. REP. NO.

7022

Honolulu, Hawaii

FEB - 4 2010

RE: S.B. No. 2233
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Madam:

Your Committee on Energy and Environment, to which was referred S.B. No. 2233 entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

begs leave to report as follows:

The purpose of this measure is to ensure that state agencies that enter into energy performance contracts continue to receive budget appropriations for energy expenditures in an amount that does not fall below the pre-performance contract budget.

Testimony in support was submitted by two organizations, and one organization submitted comments. Two state agencies submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Energy savings performance contracting has been around since the early 1980s and has been used by public agencies to procure more than one billion dollars in facility solutions. The Department of Accounting and General Services recently approved a \$34 million project for ten state buildings. Other state agencies are interested in entering into similar energy performance contracts but are hesitant to proceed unless they receive an assurance that their budget appropriations for energy expenditures will not fall below pre-performance contract budget amounts. Your Committee recognizes the concerns of the Department of Budget and Finance in that the executive branch requires flexibility to allocate funding based on statewide priorities. However, your Committee finds that this measure is designed to ensure that state

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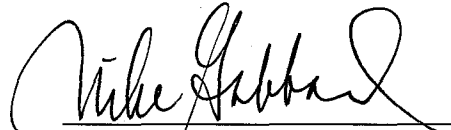


agencies are not penalized for implementing energy efficiency improvements.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2233, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2233, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Energy and
Environment,



MIKE GABBARD, Chair



