

Honolulu, Hawaii

FEB 12 2010

RE: S.B. No. 2815
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. 2815 entitled:

"A BILL FOR AN ACT RELATING TO CLEAN ENERGY BONDS,"

begs leave to report as follows:

The purpose of this measure is to establish a Property-Assessed Clean Energy Bond Financing Program for renewable energy systems and energy efficiency improvements on residential and commercial properties, and to authorize the issuance of general obligation bonds to finance the program.

Testimony in support of the measure was submitted by one state agency and three organizations. One county agency submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The primary obstacle for homeowners to install clean energy systems or pursue energy efficiency projects is the upfront cost. A typical photovoltaic system, after tax incentives, costs approximately \$16,000. Despite expedited permitting, tax incentives, and educational programs, the installation rate of residential clean energy systems is fairly small. This measure implements a Property-Assessed Clean Energy program, ranked by the Harvard Business Review as one of the top ten "Breakthrough Ideas for 2010" and already adopted by sixteen other states. Your Committee finds that Hawaii cannot meet its renewable energy goals without broad residential participation, and that this measure will also spur the creation of new jobs.

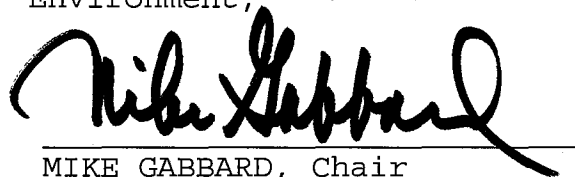


Your Committee has amended this measure by replacing its contents with a similar proposal to:

- (1) Establish a Hawaii Clean Energy Bond Loan Program to make loans to commercial and residential property owners for energy efficiency improvements and small renewable energy systems;
- (2) Establish the Hawaii Clean Energy Bond Loan Revolving Fund to deposit proceeds from the issuance of general obligation bonds, repayments from loans, and any other moneys received for the program;
- (3) Authorize the Director of Business, Economic Development, and Tourism to carry out the program and adopt rules necessary thereto;
- (4) Clarify that the loans shall attach to the property, and that participating counties shall levy a special assessment on the property tax to repay the loan; and
- (5) Authorize the issuance of \$50,000,000 in general obligation bonds for the fiscal year 2010-2011.

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. 2815, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2815, 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



The Senate
 Twenty-Fifth Legislature
 State of Hawaii

Record of Votes
Committee on Energy and Environment
ENE

Bill / Resolution No.:* SB 2815	Committee Referral: ENE, WAM	Date: 9 Feb 2020		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	/			
ENGLISH, J. Kalani (VC)	/			
GREEN, M.D., Josh	/			
HOOSER, Gary L.	/			
IHARA, Jr., Les	/			
KOKUBUN, Russell S.	/			
HEMMINGS, Fred	/			
TOTAL	7			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>J. Kalani English</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes