
A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY.

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

1 SECTION 1. The legislature recognizes the importance of
2 developing and utilizing renewable energy resources to reduce
3 dependence on imported fossil fuels and has taken steps to
4 encourage the development and use of renewable resources by
5 establishing the renewable energy technologies income tax
6 credit. However, fiscal responsibility must be exercised while
7 achieving the State's renewable energy goals. In 2011, the
8 renewable energy technologies income tax credit resulted in a
9 loss of \$40,000,000 in tax revenue.

10 The legislature believes that in addition to encouraging
11 the development and use of renewable energy technologies,
12 government should also develop and use renewable energy to power
13 its facilities. It would be more beneficial for government
14 agencies to purchase a renewable energy system, rather than to
15 enter into a power purchase agreement.

16 The purpose of this Act is to ensure the cost effectiveness
17 of renewable energy technology projects by:



1 (1) Prohibiting government agencies from contracting with
2 private energy providers who claim the renewable
3 energy technologies tax credit; and

4 (2) Authorizing the issuance of general obligation bonds
5 to purchase renewable energy systems for state
6 facilities.

7 SECTION 2. Chapter 103, Hawaii Revised Statutes, is
8 amended by adding a new section to part II to be appropriately
9 designated and to read as follows:

10 "§103- Energy agreements; limitations. No state or
11 county department or agency shall enter into an energy agreement
12 or enter into a contract to install a renewable energy system
13 with any individual or corporate taxpayer who has claimed the
14 renewable energy technologies income tax credit under section
15 235-12.5."

16 SECTION 3. The director of finance is authorized to issue
17 general obligation bonds in the sum of \$ or so much
18 thereof as may be necessary and the same sum or so much thereof
19 as may be necessary is appropriated for fiscal year 2012-2013 to
20 purchase renewable energy systems for state facilities that are
21 operated by programs funded by general funds.



1 The sum appropriated shall be expended by the department of
2 accounting and general services for the purposes of this Act.

3 SECTION 4. The appropriation made for the capital
4 improvement project authorized by section 3 of this Act shall
5 not lapse at the end of the fiscal biennium for which the
6 appropriation is made; provided that all moneys from the
7 appropriation unencumbered as of June 30, 2015, shall lapse as
8 of that date.

9 SECTION 5. New statutory material is underscored.

10 SECTION 6. This Act shall take effect on January 1, 2013.



Report Title:

Renewable Energy Systems; Government Contracts; GO Bonds

Description:

Prohibits state and county agencies from entering into an energy agreement or contract to install a renewable energy system with a private provider who has claimed the renewable energy technologies tax credit. Authorizes the issuance of general obligation bonds for renewable energy systems for state facilities. Effective January 1, 2013. (HB2121 HD1)

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