

STAND. COM. REP. NO. 963

Honolulu, Hawaii
March 15, 2013

RE: S.B. No. 1087
S.D. 2
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred S.B. No. 1087, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO GREEN INFRASTRUCTURE,"

begs leave to report as follows:

The purpose of this measure is to promote the purchase and installation of green infrastructure equipment among electric utility customers through a loan program financed by the issuance of revenue bonds. Specifically, this measure, among other things:

- (1) Establishes the Hawaii Green Infrastructure Loan Program;
- (2) Establishes the Hawaii Green Infrastructure Authority within the Department of Business, Economic Development, and Tourism;
- (3) Authorizes the Authority to issue revenue bonds and use the proceeds from the bonds to provide the loans;
- (4) Establishes green infrastructure property for which a green infrastructure fee will be imposed upon electric utility customers to pay for the bonds;



- (5) Establishes a bond fund for the receipt of green infrastructure fee payments and green infrastructure charges for the disbursement of bond payments; and
- (6) Establishes a special fund for the receipt of green infrastructure fee payments and green infrastructure charges for the disbursement of bond payments.

The Office of the Governor; Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs; Department of Budget and Finance; Public Utilities Commission; Blue Planet Foundation; Sierra Club, Hawai'i Chapter; Environmental Defense Fund; Ulupono Initiative; Hawaii Energy Policy Forum; Hawaii Laborers' Union; Pacific Resource Partnership; and Hawaii Solar Energy Association provided testimony in support of this measure. The State Procurement Office provided testimony in opposition to this measure. The Department of Business, Economic Development, and Tourism; Hawaiian Electric Company; Hawaii Electric Light Company; Maui Electric Company; and Land Use Research Foundation of Hawaii provided comments on this measure.

Your Committee has amended this measure by:

- (1) Adding language to articulate the intent of the measure to support implementation of clean energy financing programs;
- (2) Clarifying the Public Utilities Commission's regulatory oversight of ratepayer funds and programs;
- (3) Clarifying the procedures and requirements for financing orders and green infrastructure loan program orders;
- (4) Inserting an amount of \$200,000,000 for the bond issuance authorization to establish and administer the Hawaii Green Infrastructure Loan Program;
- (5) Deleting the appropriations from the general revenues of the State of Hawaii;
- (6) Specifying an appropriation amount of \$100,000,000 from the Hawaii Green Infrastructure Special Fund;
- (7) Specifying an appropriation amount of \$10,000,000 from the Hawaii Green Infrastructure Bond Fund for fiscal



year 2013-2014 and \$20,000,000 for fiscal year 2014-2015;

- (8) Making this measure effective upon its approval; provided that appropriations shall be effective on July 1, 2013; and
- (9) Making technical, nonsubstantive amendments, including the relocation of existing provisions, for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1087, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1087, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,



CHRIS LEE, Chair



State of Hawaii
House of Representatives
The Twenty-seventh Legislature

HSCR 963

Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.: <i>SB1087, SD 2</i>	Committee Referral: <i>EEP, CRC, FIN</i>	Date: <i>3/12/13</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EEP Members	Ayes	Ayes (WR)	Nays	Excused
1. LEE, Chris (C)	X			
2. THIELEN, Cynthia (VC)	X			
3. COFFMAN, Denny	X			
4. CULLEN, Ty J.K.	X			
5. EVANS, Cindy	X			
6. HANOHANO, Faye P.		X		
7. KAWAKAMI, Derek S.K.	X			
8. LOWEN, Nicole E.	X			
9. FALE, Richard Lee		X		
TOTAL (9)	7	2		
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 10pt;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <i>Cynthia Thielen</i>				
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