

STAND. COM. REP. NO.

1587

Honolulu, Hawaii

April 5, 2013

RE: S.B. No. 1087
S.D. 2
H.D. 3

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

Sir:

Your Committee on Finance, to which was referred S.B. No. 1087, S.D. 2, H.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:

- (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 creation of green infrastructure property consisting of all property, rights, and interests of the Hawaii Green Infrastructure Loan Program, which shall vest in the Department of Business, Economic Development, and Tourism for the purpose of securing bond amounts payable under the Loan Program, and other financing costs;



- (4) Establishes the Hawaii Green Infrastructure Bond Fund to be administered by the Department of Business, Economic Development, and Tourism and to receive proceeds of the Green Infrastructure Fee and Green Infrastructure property;
- (5) Establishes the Hawaii Green Infrastructure Special Fund to receive proceeds of the Loan Program and other moneys and to be expended on the operations of the Loan Program, including through credits to electric utility customers for reimbursement of excess Green Infrastructure charge collected;
- (6) Authorizes the Department of Business, Economic Development, and Tourism to issue up to \$200,000,000 in revenue bonds to establish and administer the Hawaii Green Infrastructure Loan Program;
- (7) Appropriates \$100,000,000 for fiscal year 2013-2014 and \$100,000,000 for fiscal year 2014-2015 to the Department of Business, Economic Development, and Tourism out of the Hawaii Green Infrastructure Special Fund; and
- (8) Appropriates \$10,000,000 for fiscal year 2013-2014 and \$20,000,000 for fiscal year 2014-2015 to the Department of Business, Economic Development, and Tourism out of the Hawaii Green Infrastructure Bond fund.

The Office of the Governor; Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs; Department of Budget and Finance; Department of Business, Economic Development, and Tourism; Public Utilities Commission; Hawaiian Electric Company; Hawaii Electric Light Company; Maui Electric Company; Blue Planet Foundation; Sierra Club, Hawaii Chapter; Hawaii Energy Policy Forum; Ulupono Initiative; and Pacific Resource Partnership testified in support of this measure. The State Procurement Office provided comments on this measure.

Your Committee has amended this measure by:

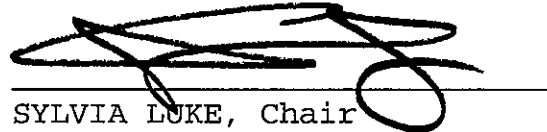
- (1) Changing the listed appropriations from the Hawaii Green Infrastructure Special Fund and Hawaii Green Infrastructure Bond Fund to unspecified amounts;
- (2) Changing its effective date to July 1, 2030; to encourage further discussion; and



- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1087, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1087, S.D. 2, H.D. 3.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



SYLVIA LUKE, Chair



