

Honolulu, Hawaii

MAR 01 2013

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

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 1087, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent 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 Authority within the Department of Business, Economic Development, and Tourism;
- (2) Authorizes the Authority to issue revenue bonds and use the proceeds from the bonds to provide the loans, provided that a financing order to do so is issued by the Public Utilities Commission;
- (3) Establishes green infrastructure property for which green infrastructure fees will be imposed upon electric utility customers in order to pay for the bonds;
- (4) Establishes a bond fund for the receipt of green infrastructure fees and green infrastructure charges and for the disbursement of bond payments; and



- (5) Establishes a special fund for the receipt of the bond proceeds and for disbursement of the loans.

Your Committee received written comments in support of this measure from the Office of the Governor, the Department of Budget and Finance, the Department of Business, Economic Development, and Tourism, the Public Utilities Commission, Hawaiian Electric Company, Blue Planet Foundation, and two individuals. Your Committee received written comments in opposition to this measure from the State Procurement Office.

Your Committee finds that this measure will provide a lower cost financing alternative for Hawaii businesses and residents to utilize green infrastructure equipment and technology to reduce electricity consumption by leveraging clean energy technology. The innovative financing method created in this measure will provide a secure financing structure to allow the Department of Business, Economic Development, and Tourism to issue revenue bonds at very competitive rates, which savings can be passed on to the consumers in the form of lower borrowing costs.

Your Committee has amended this measure by:

- (1) Adopting recommendations from the Department of Business, Economic Development, and Tourism, which, among other things:
 - (A) Reorganizes material between existing sections and new sections of chapters 196 and 269, Hawaii Revised Statutes;
 - (B) Reorganizes material between definitions and operational sections of the measure;
 - (C) Adds new language on the green infrastructure loan program order;
 - (D) Authorizes deposits of the green infrastructure charges into the green infrastructure special fund, as well as into the green infrastructure bond fund; and
 - (E) Corrects numerous drafting errors;



- (2) Changing the appropriations to unspecified amounts;
- (3) Changing the effective date to July 1, 2050, to facilitate continued discussion on the measure; and
- (4) Making technical nonsubstantive amendments for the purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1087, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1087, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DAVID Y. IGE, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB1087, SD1	Committee Referral: EGH/ENE/CPN, WAM	Date: 2-21-13		
<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
IGE, David Y. (C)	/			
KIDANI, Michelle N. (VC)	/			
CHUN OAKLAND, Suzanne	/			
DELA CRUZ, Donovan M.	/			
ENGLISH, J. Kalani	/			
ESPERO, Will	/			
KAHELE, Gilbert	/			
KEITH-AGARAN, Gilbert S.C.	/			
KOUCHI, Ronald D.				✓
RUDERMAN, Russell E.	/			
THIELEN, Laura H.	/			
TOKUDA, Jill N.	/			
SLOM, Sam			✓	
TOTAL	11	0	1	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</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