

---

---

# A BILL FOR AN ACT

RELATING TO ENERGY.

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

- 1 SECTION 1. The purpose of this Act is to:
- 2 (1) Re-establish the energy systems development special
- 3 fund, which was repealed on June 30, 2013, to be
- 4 funded in part by revenues collected from the
- 5 environmental response, energy, and food security tax;
- 6 and
- 7 (2) Extend the allocation of revenues collected from the
- 8 environmental response, energy, and food security tax
- 9 to various special funds from June 30, 2015, to
- 10 June 30, 2030.

11 SECTION 2. Chapter 304A, Hawaii Revised Statutes, is

12 amended by adding three new sections to be appropriately

13 designated and to read as follows:

14 **"§304A-A Energy systems development special fund. (a)**

15 There is established the energy systems development special fund

16 for the purpose of developing an integrated approach to and

17 portfolio management of renewable energy and energy efficiency

18 technology projects that will reduce Hawaii's dependence on



1 fossil fuel, imported oil, and other imported energy resources  
2 and move Hawaii toward energy self-sufficiency.

3 (b) Deposits into the special fund may be from the  
4 following:

- 5 (1) Appropriations from the legislature;
- 6 (2) A portion of the environmental response, energy, and  
7 food security tax pursuant to section 243-3.5; and
- 8 (3) Investment earnings, gifts, donations, or other income  
9 received by the Hawaii natural energy institute.

10 (c) The Hawaii natural energy institute shall administer  
11 the special fund and may expend revenues of the special fund for  
12 the following activities:

- 13 (1) Obtaining matching funds from federal and private  
14 sources for research, development, and demonstration  
15 of renewable energy sources;
- 16 (2) Awarding contracts or grants to develop and deploy  
17 technologies that will reduce Hawaii's dependence on  
18 imported energy resources and imported oil. Projects  
19 may be commissioned that:
  - 20 (A) Balance the risk, benefits, and time horizons of  
21 the investment to ensure tangible benefits to the



- 1                   Hawaii consumer, with priority given to short-
- 2                   term technology development;
- 3           (B)   Emphasize innovative and renewable energy supply
- 4                   and energy efficient end use technologies
- 5                   focusing on environmental attributes,
- 6                   reliability, and affordability;
- 7           (C)   Enhance transmission and distribution
- 8                   capabilities of renewable energy supply for
- 9                   electricity;
- 10           (D)   Enhance reliability and storage capabilities of
- 11                   renewable energy for electricity;
- 12           (E)   Ensure that research, deployment, and
- 13                   demonstration efforts build on existing programs
- 14                   and resources and are not duplicated;
- 15           (F)   Address critical technical and scientific
- 16                   barriers to achieving energy self-sufficiency by
- 17                   reducing dependence on imported oil and imported
- 18                   energy resources;
- 19           (G)   Ensure that technology used and developed for
- 20                   renewable energy production and distribution will
- 21                   be commercially viable; and



1           (H) Give priority to resources that are indigenous  
2           and unique to Hawaii; and

3           (3) Managing the portfolio of projects commissioned under  
4           this subsection.

5           **§304A-B Periodic evaluation.** (a) Evaluations shall be  
6           conducted of the projects and activities funded by the energy  
7           systems development special fund. Using objective criteria, the  
8           evaluation shall assess the degree to which the projects and  
9           activities comport with and achieve the stated objectives of the  
10           energy systems development special fund pursuant to section  
11           304A-A.

12           (b) The initial evaluation shall be conducted beginning  
13           July 1, 2017, and every three years thereafter by a two-person  
14           panel of independent energy and environmental technical experts  
15           who shall be appointed by the director of business, economic  
16           development, and tourism and who shall not be affiliated with  
17           the Hawaii natural energy institute. The panel shall submit a  
18           report of the findings and recommendations of each evaluation to  
19           the legislature no later than twenty days prior to the convening  
20           of the following regular session. The Hawaii natural energy  
21           institute shall cooperate with and provide support to the  
22           evaluation panel.



1        S304A-C Plan of action. Prior to the initiation of any  
2 projects or activities authorized by section 304A-A, the Hawaii  
3 natural energy institute shall develop a plan of action in  
4 coordination with the state energy resources coordinator with  
5 the intent of promoting effective prioritization and focusing of  
6 efforts consistent with the State's energy programs."

7        SECTION 3. Act 73, Session Laws of Hawaii 2010, is amended  
8 as follows:

9        1. By amending section 10 to read:

10        "SECTION 10. Any unexpended or unencumbered funds  
11 remaining in the agricultural development and food security  
12 special fund established by this Act, as of the close of  
13 business on June 30, [~~2015~~] 2030, shall lapse to the credit of  
14 the general fund."

15        2. By amending section 14 to read:

16        "SECTION 14. This Act shall take effect on July 1, 2010;  
17 provided that sections 2, 3, 4, and 7 of this Act shall be  
18 repealed on June 30, [~~2015~~] 2030, and sections 128D-2,  
19 201-12.8, and 243-3.5, Hawaii Revised Statutes, shall be  
20 reenacted in the form in which they read on June 30, 2010."

21        SECTION 4. In codifying the new sections added to chapter  
22 304A, Hawaii Revised Statutes, by section 2 of this Act, the



1 revisor of statutes shall substitute appropriate section numbers  
2 for the letters used in designating and referring to the new  
3 sections in this Act.

4 SECTION 5. Statutory material to be repealed is bracketed  
5 and stricken. New statutory material is underscored.

6 SECTION 6. This Act shall take effect on July 1, 2014.



**Report Title:**

Energy; Energy Systems Development Special Fund

**Description:**

Re-establishes the energy systems development special fund, which was repealed. Extends the repeal of various allocations of the environmental response, energy, and food security tax from 2015 to 2030. (CD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

