

Honolulu, Hawaii

FEB 28 2014

RE: S.B. No. 2804
S.D. 2

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 2804, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ENERGY PERFORMANCE CONTRACTING FOR PUBLIC BUILDINGS,"

begs leave to report as follows:

The purpose and intent of this measure is to incentivize the implementation of energy performance contracting projects by state agencies.

Specifically, this measure provides that:

- (1) Agencies entering into energy performance contracts will continue to receive pre-retrofit budget appropriation amounts and have access to financing options;
- (2) An energy performance contract has a maximum term of twenty-five years, including the construction period; and
- (3) Agencies implementing energy performance contracts provide annual reports to the Department of Business, Economic Development, and Tourism.

Your Committee received written comments in support of this measure from the Department of Accounting and General Services and the Department of Business, Economic Development, and Tourism.



The Department of Transportation submitted written comments on the measure.

Your Committee finds that incentivizing the use of energy performance contracting by state agencies will result in improved energy efficiency and reduced operating costs for the State.

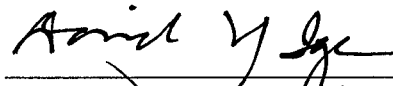
Your Committee is concerned, however, that the twenty-five year maximum term for an energy performance contract may be too long. Accordingly, if this measure is approved by the House of Representatives, your Committee intends to further review the matter.

Your Committee has amended this measure by:

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

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. 2804, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2804, 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.:* SB 2804 SD1	Committee Referral: ENE/EGH, WAM	Date: 2-27-14		
<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.	✓			Ht <i>muk</i>
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
KAHELE, Gilbert		<i>muk</i>	✓	
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
TOKUDA, Jill N.	✓			
SLOM, Sam	✓			
	12	0	1	0
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