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**PRESENTATION OF THE  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

TO THE HOUSE COMMITTEE ON  
CONSUMER PROTECTION & COMMERCE

TWENTY-EIGHTH LEGISLATURE  
Regular Session of 2016  
Thursday, February 11, 2016  
5:00 p.m.

**TESTIMONY ON HOUSE BILL NO. 2301, H.D. 1, RELATING TO THE HAWAII  
GREEN INFRASTRUCTURE AUTHORITY.**

TO THE HONORABLE ANGUS L.K. McKELVEY, CHAIR,  
AND MEMBERS OF THE COMMITTEE:

My name is Catherine Awakuni Colón, Director of the Department of Commerce and Consumer Affairs (“DCCA” or the “Department”). The Department appreciates the opportunity to provide testimony in support of House Bill No. 2301, H.D. 1, an Administration bill, which would amend the composition of the Hawaii Green Infrastructure Authority (“Authority”) by including the Director of Commerce and Consumer Affairs, removing the State’s Energy Program Administrator, adding two additional appointed members, and clarifying the required areas of expertise for appointed members.

The Authority was established by Act 211, Session Laws of Hawaii 2013, to administer the Hawaii Green Infrastructure Loan Program, and to operate as an

administratively attached agency within the Department of Business, Economic Development, and Tourism (“DBEDT”). The functions of the Authority include, among other things, the making of loans and the expending of funds to finance the purchase or installation of green infrastructure equipment to support the use of clean energy technology, demand response technology, and energy use reduction/demand side management infrastructure, programs, and services.

The Department supports this measure’s proposal to add the Director of Commerce and Consumer Affairs to serve on the Authority. DCCA is the State’s agency responsible for regulating numerous aspects of commercial and consumer transactions in Hawaii, including prosecuting and investigating issues of consumer-related fraud and unfair and deceptive trade practices, as well as for overseeing the licensing of professionals involved in the construction and clean energy industries. Given the nature of the Green Infrastructure Loan Program and the associated Green Energy Market Securitization funding mechanism, the Department believes that Hawaii’s energy consumers would benefit by including DCCA representation as part of the Authority.

While the Department defers to DBEDT on both the Authority’s structure and its preferred level of representation on that body, DCCA recognizes that the DBEDT Director is currently part of the Authority pursuant to Section 196-63, Hawaii Revised Statutes, in addition to the Energy Program Administrator who reports to the DBEDT Director as head of the State’s Energy Office. Thus, at least two of the Authority’s current five members<sup>1</sup>

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<sup>1</sup>The Department notes that House Bill No. 2301, H.D. 1 proposes to increase the total number of Authority members from five to seven. Two of the appointed members on the expanded Authority would need demonstrated expertise in public finance or economics and the other two appointed members would need demonstrated clean energy

represent the same agency under the present law.

Thank you for the opportunity to testify on House Bill No. 2301, H.D. 1. I will be happy to answer any questions the Committee may have.

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expertise.



**DEPARTMENT OF BUSINESS,  
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Statement of  
**LUIS P. SALAVERIA**  
Director  
Department of Business, Economic Development, and Tourism  
before the  
**HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE**

Thursday, February 11, 2016  
5:00 PM  
State Capitol, Conference Room 325  
in consideration of  
**HB 2301, HD1**  
**RELATING TO THE HAWAII GREEN INFRASTRUCTURE AUTHORITY.**

Chair McKelvey, Vice Chair Woodson, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) supports HB 2301, an Administrative Bill that amends the composition of the Hawaii Green Infrastructure Authority (HGIA) by expanding it from five to seven members.

DBEDT supports this legislation because the addition of two at-large HGIA members encourages more robust discussion and greater government transparency. By requiring the at-large members to have expertise in financing or energy, the four at-large members should complement the competence and expertise of the three ex-officio members.

The substitution of the Director of Commerce and Consumer Affairs for the Energy Program Administrator is more appropriate for the governance of the Green Energy Market Securitization Program because this program is a market-driven, consumer program, and therefore, this Director's proficiency will increase the overall aptitude of the Authority when paired with the DBEDT Director and the Director of Finance.

The expansion of the Authority from five to seven members allows for more diverse expertise, which has proven to be necessary in periods of market flux to better respond to dynamic market conditions in both the energy and financial markets. It also allows for more robust operating committees, which are currently restricted to two members under the five-member structure.

Thank you for the opportunity to offer testimony in support of HB 2301, HD1.