

Honolulu, Hawaii

, 2018

APR 06

RE: S.B. No. 2910
S.D. 2
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 2910, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ELECTRIC GRID RESILIENCY,"

begs leave to report as follows:

The purpose of this measure is to financially assist state agencies in achieving energy efficiency and hence electric grid resiliency in preparation for events of natural disasters and other emergencies by:

- (1) Providing state agencies access to the Hawaii Green Energy Infrastructure Loan Program;
- (2) Allowing Hawaii Green Infrastructure Special Fund monies to be used for loans for any energy-efficiency measures rather than only those related to heat abatement in public schools;
- (3) Creating a \$50,000,000 revolving line of credit sub-fund within the Green Energy Market Securitization Fund reserved for state agencies to obtain low-cost financing to install energy efficiency measures for fiscal year 2018-2019 and subsequently from the Green Infrastructure Loan Program;



- (4) Appropriating \$50,000,000 from the Hawaii Green Infrastructure Special Fund for financing the installation costs for energy-efficiency lighting and other energy efficiency measures for state agencies or departments;
- (5) As a condition for eligibility for the Hawaii Green Infrastructure Loan Program, requiring state agencies and departments to meet with the Public Benefits Fee Administrator at all phases of an energy-efficiency project, to ensure energy efficiency is maximized and coordinate with the Hawaii Green Infrastructure Authority on fiscal matters;
- (6) Establishing a Grid Resiliency Task Force (Task Force) to analyze grid resiliency incentive programs, identify critical infrastructure together with funding and priority recommendations, and report to the Legislature on its activities and recommendations;
- (7) Establishing the Grid Resiliency Loan Program and the Grid Resiliency Loan Special Fund to adopt or modify the recommendations of the Task Force and fund loans for eligible resiliency facilities, respectively;
- (8) Requiring the public benefit fees to also be used to support grid resiliency and allocating a portion of the fees to the Grid Resiliency Loan Special Fund to address critical infrastructure priorities;
- (9) In advancing the public interest, requiring the Public Utilities Commission (PUC) to consider maintenance and grid resiliency enhancement;
- (10) Mandating the PUC to require electric public utilities to incorporate a grid resiliency plan into the utility's integrated resource and grid modernization planning; and
- (11) Appropriating \$20,000,000 from the Green Infrastructure Special Fund into the Grid Resiliency Loan Special Fund.

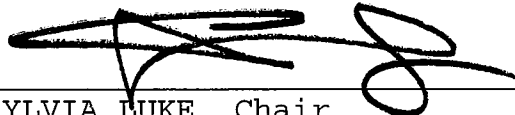
The Oahu County Committee on Legislative Priorities of the Democratic Party of Hawaii, The Alliance for Solar Choice, Hawaii Solar Energy Association, and Ulupono Initiative supported this



measure. The Hawaiian Electric Company, Inc., Maui Electric Company, and Hawai'i Electric Light Company opposed this measure. The Department of Business, Economic Development, and Tourism, Department of Commerce and Consumer Affairs, Department of Budget and Finance, Public Utilities Commission, Hawaii Green Infrastructure Authority, Tax Foundation of Hawaii, and Hawaii Energy Policy Forum submitted comments on this measure.

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. 2910, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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



SYLVIA LUKE, Chair



