
A BILL FOR AN ACT

RELATING TO THE HAWAII STATE ENERGY OFFICE.

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

1 SECTION 1. The legislature finds that energy composes
2 approximately one-eighth of Hawaii's overall economy. Electric
3 bills for public facilities and public transportation services
4 exceed \$400,000,000 annually. Management and direction of the
5 energy sector of the state economy are becoming an increasingly
6 complex and critically important job. According to Hawaii's
7 utilities, successfully achieving one hundred per cent renewable
8 electricity by 2045 is expected to save nearly \$6,000,000,000.
9 Additionally, electric vehicles are already cheaper to operate
10 than traditional gas-powered vehicles. Transitioning to clean
11 transportation will save residents billions of dollars. Climate
12 change is expected to cost the State at least \$19,000,000,000 in
13 losses from sea level rise alone, making the switch to renewable
14 energy and the ultimate reduction of atmospheric carbon a
15 priority. The State must also handle the need for island
16 resiliency; rapid increase and economic viability of renewable
17 and distributed energy resources; the digitization,



1 democratization, and inter-connectivity of infrastructure; and
2 the electrification and automation of transportation. These
3 complex realities reveal the need for a state agency responsible
4 for assisting the transition to a clean energy economy to meet
5 Hawaii's climate and cost of living goals.

6 The legislature further finds that efforts taken by
7 universities, public schools, executive departments, and other
8 government entities have already begun to save taxpayers money
9 by reducing the government's electricity costs. However, those
10 efforts lack statewide coordination, preventing economies of
11 scale to maximize savings. While some departments have made
12 substantial progress, others have yet to commence meaningful
13 activities. Tasking a single agency to plan for energy savings
14 measures across all public facilities and assist government
15 entities already working to reduce energy costs is a necessary
16 step to maximize taxpayer savings.

17 The legislature further finds that although the state
18 energy office is tasked with the responsibility of overseeing
19 one-eighth of Hawaii's economy, which impacts every business and
20 household, the state energy office lacks an enabling statute, a
21 mission, formal guidance, and reporting accountability.



1 Additionally, appointment of the head of the state energy
2 office, the Hawaii state energy office administrator, is exempt
3 from the senate confirmation process required for the majority
4 of other agency heads.

5 The legislature's intent is to establish in statute an
6 energy agency with a clear mission, established guidance,
7 transparent reporting, and accountable leadership that will
8 assist both the public and private sectors in achieving the
9 State's energy goals. More specifically, the purpose of this
10 Act is to:

- 11 (1) Establish the Hawaii state energy office as an
12 attached agency to the department of business,
13 economic development, and tourism; and
- 14 (2) Establish a board of directors and transfer the duties
15 and responsibilities of the energy resources
16 coordinator, which are currently assigned to the
17 director of business, economic development, and
18 tourism, to the director of the Hawaii state energy
19 office.



1 SECTION 2. Chapter 196, Hawaii Revised Statutes, is
2 amended by adding a new part to be appropriately designated and
3 to read as follows:

4 "PART . HAWAII STATE ENERGY OFFICE

5 §196-A Hawaii state energy office; board of directors;

6 established. (a) There is established the Hawaii state energy
7 office, which shall be a public body politic and an
8 instrumentality and agency of the State. The office shall be
9 placed within the department of business, economic development,
10 and tourism for administrative purposes, pursuant to section
11 26-35. The purpose of the Hawaii state energy office shall be
12 to promote energy efficiency, renewable energy, and clean
13 transportation to help achieve a resilient clean energy economy.

14 (b) The Hawaii state energy office shall:

15 (1) Provide analysis and planning to actively develop and
16 inform policies to achieve energy efficiency renewable
17 energy, energy resiliency, and clean transportation
18 goals with the legislature, public utilities
19 commission, and other relevant stakeholders;

20 (2) Lead efforts to incorporate energy efficiency,
21 renewable energy, energy resiliency, and clean



1 transportation to reduce costs and achieve clean
2 energy goals across all public facilities;

3 (3) Provide renewable energy, energy efficiency, energy
4 resiliency, and clean transportation project
5 deployment facilitation to assist private sector
6 project completion when aligned with state energy
7 goals; and

8 (4) Engage the private sector to help lead efforts to
9 achieve renewable energy and clean transportation
10 goals through the Hawaii clean energy initiatives.

11 (c) Except as otherwise limited by this part, the Hawaii
12 state energy office may:

13 (1) Acquire or contract to acquire by grant or purchase
14 any real, personal, or mixed property or any interest
15 therein for its immediate or future use for the
16 purposes of this part; own, hold, improve, and
17 rehabilitate any real, personal, or mixed property
18 acquired, and sell, assign, exchange, transfer,
19 convey, lease, or otherwise dispose of, or encumber
20 the same; and



1 (2) By itself, or in partnership with qualified persons,
2 acquire, construct, reconstruct, rehabilitate,
3 improve, alter, or repair any infrastructure or
4 accessory facilities in connection with any project;
5 own, hold, sell, assign, transfer, convey, exchange,
6 lease, or otherwise dispose of, or encumber any
7 project.

8 (d) The Hawaii state energy office shall be the State's
9 primary government entity for supporting the clean energy
10 initiative.

11 (e) The Hawaii state energy office shall be headed by a
12 board of directors that shall consist of seven members; provided
13 that membership shall include:

14 (1) The director of business, economic development, and
15 tourism and director of commerce and consumer affairs,
16 or their designees, as ex officio voting members; and

17 (2) Five voting members who shall be appointed by the
18 governor pursuant to section 26-34, except as provided
19 in this section, as follows:

20 (A) One member shall be appointed by the governor
21 from a list of two nominees submitted by the



1 president of the senate, and one member shall be
2 appointed by the governor from a list of two
3 nominees submitted by the speaker of the house of
4 representatives; provided that if the nominees
5 lack knowledge, experience, and expertise in the
6 area of energy efficiency, renewable energy, or
7 energy resiliency, or fewer than two nominees are
8 submitted for each appointment, the governor may
9 disregard the list;

10 (B) One member with knowledge, experience, and
11 expertise in the area of energy innovation and
12 entrepreneurship shall be appointed by the
13 governor;

14 (C) One member from the faculty of the University of
15 Hawaii with involvement in renewable energy
16 research, development, demonstration, and
17 deployment shall be appointed by the governor;

18 (D) One member with knowledge, experience, and
19 expertise in the area of electric utilities shall
20 be appointed by the governor;



1 (E) One member with knowledge, experience, and
2 expertise in the area of clean transportation
3 shall be appointed by the governor; and

4 (F) The governor shall make appointments to ensure
5 the fulfillment of all requirements of
6 subparagraphs (B), (C), (D), and (E); provided
7 that upon the occurrence of a vacancy subject to
8 subparagraph (A), the governor shall notify the
9 president of the senate and the speaker of the
10 house of representatives of any unfulfilled
11 requirements pursuant to subparagraphs (B), (C),
12 (D), and (E), and the president of the senate or
13 the speaker of the house of representatives, as
14 appropriate, shall submit nominees who fulfill
15 those requirements.

16 (f) Board members shall be appointed by the governor for
17 terms of four years; provided that membership on the board shall
18 not exceed eight consecutive years; provided further that each
19 member shall hold office until the member's successor is
20 appointed by the governor and confirmed by the senate.



1 (g) The board shall elect a chairperson from among the
2 members.

3 (h) Four members shall constitute a quorum, and a minimum
4 of four affirmative votes shall be necessary for all actions by
5 the office. The members shall serve without compensation but
6 shall be reimbursed for expenses, including traveling expenses,
7 necessary for the performance of their duties.

8 (i) The board shall appoint one person to serve as
9 director of the Hawaii state energy office, who shall serve at
10 the pleasure of the board. The board shall set the salary and
11 duties, pursuant to section 196-B, of the director.

12 (j) No later than twenty days prior to the convening of
13 each regular session, the Hawaii state energy office shall
14 submit a report to the legislature that includes:

15 (1) A description of the activities of the Hawaii state
16 energy office in response to the directives
17 established pursuant to subsection (b) and section
18 196-B(d), along with progress in meeting any of the
19 Hawaii state energy office goals established in or
20 pursuant to this part;



1 (2) Progress by the State in meeting its energy
2 efficiency, renewable energy, and clean transportation
3 goals; and

4 (3) Proposed legislation, if any.

5 **§196-B Director of the Hawaii state energy office; duties.**

6 (a) The Hawaii state energy office shall be led by the director
7 of the Hawaii state energy office appointed by the board of
8 directors pursuant to section 196-A; provided that the term of
9 the director shall be coterminous with the term of the governor.

10 (b) The director shall have:

11 (1) Experience, knowledge, and expertise in policy,
12 programs, or services related to renewable energy and
13 clean transportation related activities and
14 development; and

15 (2) Experience in a supervisory or administrative
16 capacity.

17 (c) The director shall hire staff necessary to carry out
18 the purposes of this part. The director and employees of the
19 Hawaii state energy office shall be exempt from chapter 76 and
20 shall not be considered civil service employees but shall be



1 entitled to any employee benefit plan normally inuring to civil
2 service employees.

3 (d) Subject to the approval of the board, the director
4 shall:

5 (1) Formulate, analyze, and recommend specific policies
6 and plans, in coordination with public and private
7 sector stakeholders, for cost-effectively and
8 equitably achieving the State's energy goals;

9 (2) Identify, track and report key performance measures
10 and milestones related to the State's energy and
11 decarbonization goals;

12 (3) Provide technical assistance to state and county
13 agencies to assess and implement projects and programs
14 related to energy conservation and efficiency,
15 renewable energy, clean transportation, energy
16 resiliency, and related measures;

17 (4) Coordinate the State's energy programs with those of
18 the federal government, other state governments, the
19 political subdivisions of the State, and governments
20 of nations with interest in common energy resources;



- 1 (5) Identify market gaps and innovation opportunities,
2 collaborate with stakeholders, and facilitate public-
3 private partnerships to develop programs and tools to
4 encourage private and public exploration, research,
5 and development of energy resources and distributed
6 energy resources that will support the State's energy
7 and decarbonization goals;
- 8 (6) Review proposed state actions that may have a
9 significant effect on the State's energy and
10 decarbonization objectives and report to the governor
11 their effect on the energy program, and perform other
12 services as may be required;
- 13 (7) Evaluate, recommend, and participate in the
14 development of incentives and programs that encourage
15 the development of renewable energy, distributed
16 energy resources, and clean transportation resources;
- 17 (8) Assess and evaluate the effectiveness and continued
18 necessity of existing energy related incentives, tax
19 credits and programs, and provide recommendations and
20 proposed changes;



- 1 (9) Develop and maintain a comprehensive and systematic
2 quantitative and qualitative capacity to analyze the
3 status of energy resources, systems, and markets, both
4 in-state and those to which Hawaii is directly tied,
5 particularly in relation to the State's economy, and
6 to recommend, develop proposals for, and assess the
7 effectiveness of policy and regulatory decisions, and
8 conduct energy emergency planning;
- 9 (10) Develop and recommend programs for, and assist public
10 agencies in the implementation of, energy assurance
11 and energy resilience;
- 12 (11) Support the development, evaluation, revision, and
13 adoption of energy-related codes and standards that
14 advance the State's energy goals;
- 15 (12) Act as the State's energy data clearinghouse by
16 identifying, collecting, compiling, analyzing, and
17 publishing energy and clean transportation data and
18 analyses;
- 19 (13) Advocate for the State's energy and decarbonization
20 goals at the public utilities commission and



- 1 legislature, ensuring that state energy policy and
2 regulatory plans and proposals are data-driven;
- 3 (14) Support economic development and innovation
4 initiatives related to and resulting from the State's
5 renewable energy and distributed energy resources
6 experience, capabilities, and data analyses;
- 7 (15) Prepare and submit an annual report and other reports
8 as may be requested to the governor and to the
9 legislature on the implementation of this part;
- 10 (16) Contract for services when required for the
11 implementation of this part; and
- 12 (17) Adopt rules, pursuant to chapter 91, for the
13 administration of this part."

14 SECTION 3. Sections 125C-22, 125C-23, 125C-31, 141-9,
15 196-5, 196-6.5, 196-11, 196-30(a), 196-63, 206M-23, 286-172,
16 304A-1892, and 304A-1894.1, Hawaii Revised Statutes, are amended
17 by substituting the term "director of the Hawaii state energy
18 office" wherever the term "state energy resources coordinator",
19 "energy resources coordinator", "coordinator", or "energy
20 program administrator of the department" appears, as the context
21 requires.



1 SECTION 4. Section 196-2, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By adding three new definitions to be appropriately
4 inserted and to read:

5 "Board" means the board of directors of the Hawaii state
6 energy office established by section 196A- , and any successor
7 thereto.

8 "Director" means the director of the Hawaii state energy
9 office.

10 "Distributed energy resources" means a resource sited close
11 to customers that:

12 (1) Can provide all or some of the customers' immediate
13 electric and power needs;

14 (2) Can be used by the system to reduce demand or provide
15 supply to satisfy the energy, capacity, or ancillary
16 service needs of the distribution grid; and

17 (3) Is connected to the distribution system and close to
18 load, if the resource provides electricity or thermal
19 energy.

20 "Distributed energy resources" includes but is not limited to
21 solar photovoltaic and thermal, wind, combined heat and power,



1 electrical and thermal energy storage, demand response, electric
2 vehicles, electric vehicle service equipment, microgrids, energy
3 efficiency, and advanced inverters."

4 2. By amending the definition of "energy resources" to
5 read:

6 "Energy resources" means fuel, and also includes all
7 electrical or thermal energy produced by combustion of any fuel,
8 or generated [œ], produced, or stored using wind, the sun,
9 geothermal heat, ocean water, falling water, currents, waves, or
10 any other source."

11 SECTION 5. Section 201-12.8, Hawaii Revised Statutes, is
12 amended by amending subsection (b) to read as follows:

13 "(b) Subject to legislative appropriation, moneys from the
14 fund may be expended by the department of business, economic
15 development, and tourism for the following purposes and used for
16 no other purposes, except for those set forth in this section:

17 (1) To support the Hawaii clean energy initiative program,
18 including its energy division, including funding staff
19 positions within the division, and projects that
20 ensure dependable, efficient, and economical energy,



- 1 promote energy self-sufficiency, and provide greater
2 energy security for the State;
- 3 ~~[-(2) To fund the renewable energy facilitator pursuant to~~
4 ~~section 201-12.5 and any other positions necessary for~~
5 ~~the purposes of paragraph (1) as determined by the~~
6 ~~legislature; and~~
- 7 ~~-(3)]~~ (2) To fund, to the extent possible, the greenhouse
8 gas emissions reduction task force, climate change
9 task force, [grants in aid to the economic development
10 boards of each county, and grants in aid to economic
11 development agencies of each county to meet the stated
12 objectives of the Hawaii clean energy initiative
13 program.] and programs to increase the resiliency of
14 public facilities through renewable energy systems;
- 15 (3) To support achieving the zero emissions clean economy
16 target set forth in section 225P-5;
- 17 (4) To fund the building energy efficiency revolving loan
18 fund established in section 201-20;
- 19 (5) To fund incentives to promote the adoption of electric
20 vehicles, develop electric vehicle charging
21 infrastructure, and upgrade to electrical



1 infrastructure to support the development of electric
2 vehicle charging infrastructure; and
3 (6) To fund, to the extent possible, the duties of the
4 state building code council in section 107-24, as they
5 relate to the development of energy conservation
6 codes."

7 SECTION 6. Section 304A-1891, Hawaii Revised Statutes, is
8 amended by amending subsection (b) to read as follows:

9 "(b) The director of the institute shall coordinate the
10 institute's work with the [~~energy resources coordinator~~]
11 director of the Hawaii state energy office in carrying out
12 duties pursuant to section [~~196-4~~] 196-B in the area of research
13 and development of renewable energy sources."

14 SECTION 7. Section 196-3, Hawaii Revised Statutes, is
15 repealed.

16 [~~"§196-3 Energy resources coordinator. The director of~~
17 ~~business, economic development, and tourism shall serve as~~
18 ~~energy resources coordinator."~~]

19 SECTION 8. Section 196-4, Hawaii Revised Statutes, is
20 repealed.



- 1 ~~["§196-4 Powers and duties. Subject to the approval of~~
2 ~~the governor, the coordinator shall:~~
- 3 ~~(1) Formulate plans, including objectives, criteria to~~
4 ~~measure accomplishment of objectives, programs through~~
5 ~~which the objectives are to be attained, and financial~~
6 ~~requirements for the optimum development of Hawaii's~~
7 ~~energy resources;~~
- 8 ~~(2) Conduct systematic analysis of existing and proposed~~
9 ~~energy resource programs, evaluate the analysis~~
10 ~~conducted by government agencies and other~~
11 ~~organizations and recommend programs that represent~~
12 ~~the most effective allocation of resources for the~~
13 ~~development of energy resources;~~
- 14 ~~(3) Formulate and recommend specific proposals, as~~
15 ~~necessary, for conserving energy resources, including~~
16 ~~the allocation and distribution thereof;~~
- 17 ~~(4) Assist public and private agencies in implementing~~
18 ~~energy conservation and efficiency programs, the~~
19 ~~development of indigenous energy resources, and~~
20 ~~related measures;~~



- 1 ~~(5) Coordinate the State's energy programs with those of~~
2 ~~the federal government, other state governments,~~
3 ~~governments of nations with interest in common energy~~
4 ~~resources, and the political subdivisions of the~~
5 ~~State;~~
- 6 ~~(6) Develop programs to encourage private and public~~
7 ~~exploration, research, and development of indigenous~~
8 ~~energy resources that will benefit the State;~~
- 9 ~~(7) Conduct public education programs to inform the public~~
10 ~~of the energy resources situation, as it may exist,~~
11 ~~from time to time and of the government actions taken;~~
- 12 ~~(8) Serve as consultant to the governor, public agencies,~~
13 ~~and private industry on energy related matters;~~
- 14 ~~(9) Contract for services when required for the~~
15 ~~implementation of this chapter;~~
- 16 ~~(10) Review proposed state actions that the coordinator~~
17 ~~finds to have significant effect on the State's energy~~
18 ~~objectives and report to the governor their effect on~~
19 ~~the energy program, and perform other services as may~~
20 ~~be required by the governor and the legislature;~~



- 1 ~~(11) Prepare and submit an annual report and other reports~~
2 ~~as may be requested to the governor and to the~~
3 ~~legislature on the implementation of this chapter and~~
4 ~~all matters related to energy resources;~~
- 5 ~~(12) Formulate a systematic process, including the~~
6 ~~development of requirements, to identify geographic~~
7 ~~areas that are rich with renewable energy resource~~
8 ~~potential that can be developed in a cost effective~~
9 ~~and environmentally benign manner and designate these~~
10 ~~areas as renewable energy zones;~~
- 11 ~~(13) Develop and recommend incentives, plans, and programs~~
12 ~~to encourage the development of renewable energy~~
13 ~~resource projects within the renewable energy zones;~~
- 14 ~~(14) Assist public and private agencies in identifying~~
15 ~~utility transmission projects or infrastructure~~
16 ~~required to accommodate and facilitate the development~~
17 ~~of renewable energy resources;~~
- 18 ~~(15) Assist public and private agencies, in coordination~~
19 ~~with the department of budget and finance, in~~
20 ~~accessing the use of special purpose revenue bonds to~~
21 ~~finance the engineering, design, and construction of~~



- 1 ~~transmission projects and infrastructure that are~~
2 ~~deemed critical to the development of renewable energy~~
3 ~~resources;~~
- 4 ~~(16) Develop the criteria or requirements for identifying~~
5 ~~and qualifying specific transmission projects and~~
6 ~~infrastructure that are critical to the development of~~
7 ~~renewable energy resources, including providing~~
8 ~~assistance in accessing the use of special purpose~~
9 ~~revenue bonds to finance the projects or~~
10 ~~infrastructure;~~
- 11 ~~(17) Develop and maintain a comprehensive and systematic~~
12 ~~quantitative and qualitative capacity to analyze the~~
13 ~~status of energy resources, systems, and markets, both~~
14 ~~in state and those to which Hawaii is directly tied,~~
15 ~~particularly in relation to the State's economy, and~~
16 ~~to recommend, develop proposals for, and assess the~~
17 ~~effectiveness of policy and regulatory decisions, and~~
18 ~~conduct energy emergency planning; and~~
- 19 ~~(18) Adopt rules for the administration of this chapter~~
20 ~~pursuant to chapter 91."]~~



1 SECTION 9. Section 201-12.5, Hawaii Revised Statutes, is
2 repealed.

3 ~~["§201-12.5 Renewable energy facilitator, establishment,~~
4 ~~duties.—(a) There is established within the department of~~
5 ~~business, economic development, and tourism the position of~~
6 ~~renewable energy facilitator, which shall be a full time,~~
7 ~~temporary position exempt from chapters 76 and 89. The~~
8 ~~renewable energy facilitator shall possess a requisite level of~~
9 ~~knowledge and expertise in the areas of renewable energy, state~~
10 ~~and county permitting processes, and management necessary to~~
11 ~~carry out the duties of the position.~~

12 ~~(b) The renewable energy facilitator shall have the~~
13 ~~following duties:~~

- 14 ~~(1) Facilitate the efficient permitting of renewable~~
15 ~~energy projects, including:~~
- 16 ~~(A) The land parcel on which the facility is~~
17 ~~situated;~~
 - 18 ~~(B) Any renewable energy production structure or~~
19 ~~equipment;~~
 - 20 ~~(C) Any energy transmission line from the facility to~~
21 ~~a public utility's electricity system, and~~



- 1 ~~(D) Any on site infrastructure necessary for the~~
- 2 ~~production of electricity or biofuel from the~~
- 3 ~~renewable energy site;~~
- 4 ~~(2) Initiate the implementation of key renewable energy~~
- 5 ~~projects by permitting various efficiency improvement~~
- 6 ~~strategies identified by the department;~~
- 7 ~~(3) Administer the day to day coordination for renewable~~
- 8 ~~energy projects on behalf of the department; and~~
- 9 ~~(4) Submit periodic reports to the legislature on~~
- 10 ~~renewable energy facilitation activities.~~
- 11 ~~(c) The renewable energy facilitator position shall be~~
- 12 ~~funded by the energy security special fund."]~~

13 SECTION 10. There is appropriated out of the general
 14 revenues of the State of Hawaii the sum of \$ or so
 15 much thereof as may be necessary for fiscal year 2019-2020 and
 16 the same sum or so much thereof as may be necessary for fiscal
 17 year 2020-2021 for the Hawaii state energy office.

18 The sums appropriated shall be expended by the department
 19 of business, economic development, and tourism for the purposes
 20 of this Act.



1 SECTION 11. This Act does not affect rights and duties
2 that matured, penalties that were incurred, and proceedings that
3 were begun before its effective date.

4 SECTION 12. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 13. This Act shall take effect on July 1, 2050.



Report Title:

Hawaii State Energy Office; Department of Business, Economic Development, and Tourism; Appropriation

Description:

Establishes the Hawaii state energy office. Establishes the board of directors and director of the Hawaii state energy office and powers and duties of the director. Repeals the establishment of the energy resources coordinator position, the coordinator's powers and duties, and the establishment of the renewable energy facilitator position, and transfers some of the powers and duties of the energy resources coordinator to the director of the Hawaii state energy office. Appropriates funds for the Hawaii state energy office. Takes effect 7/1/2050.
(Proposed SD1)

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

