

JAN 17 2020

A BILL FOR AN ACT

RELATING TO ENERGY.

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

1 SECTION 1. The legislature finds that the development and
2 utilization of innovative technologies will aid in Hawaii's
3 ability to achieve its clean energy and sustainability goals
4 within the aggressive timelines established.

5 The legislature further finds that the Troubled Waters:
6 Charting a New Fiscal Course for Hawaii report by the committee
7 for government and civic engagement for the Hawaii Executive
8 Conference indicates that the future natural disaster and
9 climate changes improvements needed over the next thirty years
10 will likely surpass the State's current \$15.3 billion estimate.
11 The State will be able to meet its zero emissions clean economy
12 target only through thoughtful interconnectivity and
13 coordination of innovative technologies in the areas of energy,
14 transportation, agriculture, and water.

15 The legislature also finds that public private partnerships
16 are necessary to encourage and support the development and
17 commercialization of technology to assist the State in reaching



1 its zero emissions target. The State has resources available
2 through the energy security special fund that can be directed,
3 in part, to provide funds to facilitate technology development
4 for project deployment and commercialization. This type of
5 targeted and strategic support is critical for companies facing
6 the so called "commercialization valley of death", a widely
7 recognized funding gap that exists between early-stage support
8 offered by private investors and institutional investors, and
9 growth capital support historically provided by venture capital
10 and strategic investors.

11 The purpose of this Act is to:

- 12 (1) Authorize the state energy office to enter into
13 contracts with certain non-profit organizations to
14 create a plan and administer the energy security
15 special fund; and
- 16 (2) Increase the amount of funds deposited into the energy
17 security special fund from the state environmental
18 response, energy, and food security tax.

19 SECTION 2. Section 201-12.8, Hawaii Revised Statutes, is
20 amended to read as follows:



1 "§201-12.8 Energy security special fund; uses. (a) There
2 is created within the state treasury an energy security special
3 fund, which shall consist of:

- 4 (1) The portion of the environmental response, energy, and
5 food security tax specified under section 243-3.5;
- 6 (2) Moneys appropriated to the fund by the legislature;
- 7 (3) All interest attributable to investment of money
8 deposited in the fund; and
- 9 (4) Moneys allotted to the fund from other sources,
10 including under section 196-6.5.

11 (b) Subject to legislative appropriation, moneys from the
12 fund may be expended by the Hawaii state energy office for the
13 following purposes and used for no other purposes, except for
14 those set forth in this section:

- 15 (1) To support the Hawaii clean energy initiative program
16 and projects that promote and advance dependable and
17 affordable energy, renewable energy, energy
18 efficiency, energy self-sufficiency, and greater
19 energy security and resiliency for the State and
20 public facilities;



- 1 (2) To fund, to the extent possible, the climate change
- 2 mitigation and adaptation commission and the
- 3 greenhouse gas sequestration task force;
- 4 (3) To support achieving the zero emissions clean economy
- 5 target set forth in section 225P-5;
- 6 (4) To fund the building energy efficiency revolving loan
- 7 fund established in section 201-20;
- 8 (5) To fund projects and incentives to promote the
- 9 adoption of clean transportation technologies, develop
- 10 clean vehicle charging infrastructure, and upgrade
- 11 infrastructure to support the development of clean
- 12 vehicle charging infrastructure; and
- 13 (6) To fund, to the extent possible, the duties of the
- 14 state building code council in section 107-24, as they
- 15 relate to the development of energy conservation
- 16 codes.

17 (c) The Hawaii state energy office may enter into a
18 contract with a non-profit organization to create a plan and
19 administer expenditures of moneys allotted to the energy
20 security special fund, in accordance with chapter 103D and
21 section 201-12.8(b); provided that the non-profit organization



1 shall have an established office and experience in the State and
2 supports the commercialization of technologies that will further
3 the State's clean energy and sustainability goals.

4 [~~e~~] (d) The department of business, economic
5 development, and tourism shall submit a report to the
6 legislature, no later than twenty days prior to the convening of
7 each regular session, on the status and progress of existing
8 programs and activities and the status of new programs and
9 activities funded by the energy security special fund. The
10 report shall also include:

- 11 (1) The spending plan of the energy security special fund;
12 (2) All expenditures of energy security special fund
13 moneys; and
14 (3) The targeted markets of the expenditures, including
15 the reason for selecting those markets; the persons to
16 be served; and the specific objectives of the
17 expenditures, including measurable outcomes."

18 SECTION 3. Section 243-3.5, Hawaii Revised Statutes, is
19 amended by amending subsection (a) to read as follows:

20 "(a) In addition to any other taxes provided by law,
21 subject to the exemptions set forth in section 243-7, there is



1 hereby imposed a state environmental response, energy, and food
2 security tax on each barrel or fractional part of a barrel of
3 petroleum product sold by a distributor to any retail dealer or
4 end user of petroleum product, other than a refiner. The tax
5 shall be \$1.05 on each barrel or fractional part of a barrel of
6 petroleum product that is not aviation fuel; provided that of
7 the tax collected pursuant to this subsection:

- 8 (1) 5 cents of the tax on each barrel shall be deposited
9 into the environmental response revolving fund
10 established under section 128D-2;
- 11 (2) [~~5~~] 15 cents of the tax on each barrel shall be
12 deposited into the energy security special fund
13 established under section 201-12.8;
- 14 (3) 10 cents of the tax on each barrel shall be deposited
15 into the energy systems development special fund
16 established under section 304A-2169.1; and
- 17 (4) 15 cents of the tax on each barrel shall be deposited
18 into the agricultural development and food security
19 special fund established under section 141-10.

20 The tax imposed by this subsection shall be paid by the
21 distributor of the petroleum product."

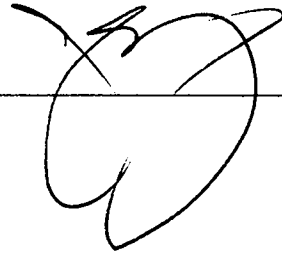


1 SECTION 4. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 5. This Act shall take effect upon its approval.

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INTRODUCED BY: _____

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S.B. NO. 2559

Report Title:

Hawaii State Energy Office; Non-profit Organizations; Contracts;
Energy Security Special Fund

Description:

Authorizes the Hawaii state energy office to enter into contracts with certain non-profit organizations to create a plan and administer moneys in the energy security special fund. Increases the amount of funds deposited into the energy security special fund from the state environmental response, energy, and food security tax.

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

