

STAND. COM. REP. NO.

244

Honolulu, Hawaii

FEB 12 , 2021

RE: H.B. No. 557
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 557 entitled:

"A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM,"

begs leave to report as follows:

The purpose of this measure is to require the Employees' Retirement System to reevaluate its investments in coal, oil, natural gas, oil or natural gas services, and pipeline companies and, over the next five years, divest of holdings in any companies that have a majority of its holdings invested in fossil fuels, rather than clean renewable energy sources.

Your Committee received testimony in support of this measure from Hawaii Interfaith Power and Light, Climate Protectors Coalition, Kauai Climate Action Coalition, Hawai'i Youth Climate Coalition, Our Revolution Hawaii, 350Hawaii, and numerous individuals. Your Committee received testimony in opposition to this measure from the Employees' Retirement System and one individual.

Your Committee finds that, given the severely adverse impacts of climate change, the State has a responsibility to take steps to avert and mitigate the climate crisis. Furthermore, the threat of climate change and transformation of the global energy system to

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mitigate the climate crisis will have a serious negative impact on investors whose assets are not aligned with fossil fuel reduction strategies. This measure ensures that the Employees' Retirement System reevaluates its investments in fossil fuel to align with the State's goal of one hundred percent renewable energy generation.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to encourage further discussion; 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 Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 557, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 557, H.D. 1, and be referred to your Committee on Labor & Tourism.

Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,



NICOLE E. LOWEN, Chair



