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Statement of
MARY ALICE EVANS, Director

before the
HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

Tuesday, February 4, 2025, 9:00 AM
State Capitol, Conference Room 325

in consideration of
HB 932
RELATING TO GREEN BONDS.

Chair Lowen, Vice Chair Perruso, and Members of the Committee,

The Office of Planning and Sustainable Development (OPSD) **supports the intent and offers comments** on HB 932, which establishes a Green Bonds Working Group within the Department of Business, Economic Development, and Tourism.

The green bond market is expanding rapidly, financing critical sustainability projects with tangible environmental benefits. According to Moody's January 2025 "Sustainable Finance and ESG" forecast, global green bond issuance is expected to surpass \$1 trillion for the fifth consecutive year, underscoring the increasing demand for clean energy, water-efficient infrastructure, and climate resilience projects—all crucial as global temperatures exceed the Paris Agreement's 1.5°C target.

By late 2024, U.S. agencies made significant strides in addressing climate risks, following the Department of Treasury's Financial Stability Oversight Council (FSOC) guidance on climate risk. This focus has sharpened on strengthening climate risk disclosures and assessing financial impacts. Similarly, Moody's has intensified its scrutiny in its credit rating systems, reviewing U.S. agencies and certain states for climate-related financial risks and adaptation plans—marking a pivotal shift toward holding governments and institutions accountable for their financial exposure and climate adaptation efforts.

Hawai'i must invest in transparent and accountable climate solutions. OPSD's 2019 [Carbon Offsets Report](#) cautioned against the reliability of carbon offsets due to accountability gaps and greenwashing risks, and instead recommended green bonds as a more verifiable and impactful funding mechanism for sustainability financing.

To ensure best practices in developing Hawai'i's green bond framework, OPSD recommends that the Green Bonds Working Group also analyze leading global guidelines, including:

- [U.S. Securities and Exchange Commission \(SEC\) climate-related disclosure rules](#);
- [ISO 14030-1: Standards for environmental performance evaluation — Green debt instruments – process for green bonds](#)
- [ISO 14030-2: Standards for environmental performance evaluation — Green debt instruments – process for green loans](#)
- [ISO 14030-3: Standards for environmental performance evaluation — Green debt instruments – taxonomy](#)
- [ISO 14030-4: Standards for environmental performance evaluation — Green debt instruments – verification programme requirements](#)
- [Climate Bonds Initiative \(CBI\) globally recognized certification standards](#).

Mahalo for the opportunity to testify on this measure.

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT GOVERNOR



Hawaii Green Infrastructure Authority

An Agency of the State of Hawaii

JAMES KUNANE TOKIOKA
CHAIR

GWEN S YAMAMOTO LAU
EXECUTIVE DIRECTOR

Testimony of
Gwen Yamamoto Lau
Executive Director
Hawaii Green Infrastructure Authority
before the
House Committee on Energy & Environmental Protection
Tuesday, February 4, 2025, 9:00 AM
State Capitol, Conference Room 325
in consideration of
House Bill No. 932
RELATING TO GREEN BONDS

Chair Lowen, Vice Chair Perruso and Members of the Committee:

Thank you for the opportunity to testify in support of HB932, to establish a green bond working group to develop recommendations for creating a green bonds financing program for Hawaii.

Green bonds are not new to the Hawaii Green Infrastructure Authority (HGIA) as it was capitalized by and currently administers the Green Energy Market Securitization (GEMS) bond, which provided \$150.0 million in low-cost debt to provide inclusive solar financing to underserved ratepayers.

Additionally, Hawaii was invited to participate in a joint initiative of the Climate Group and the Government of North Rhine Westphalia, funded by the Stiftung Mercator foundation. Next Generation Budgets is a transformative project to train and support subnational governments to align public budgeting with climate neutrality goals and help unlock financing, building on and informed by technical training and international best practice sharing. Participants include Baden-Wurttemberg, Basque Country, Catalonia, Colorado, Emilia Romagna, Hawaii, Lombardy, Maryland, North Rhine-Westphalia, New York, Quebec and Wales. Representatives from Budget & Finance, DLNR, DOT and HGIA are part of this Cohort. Learnings from Next Generation Budgets will likely provide valuable insights to the green bond working group.

Thank you for this opportunity to testify in support of HB 932.

HB-932

Submitted on: 2/2/2025 4:49:53 PM

Testimony for EEP on 2/4/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ted Bohlen	Climate Protectors Hawaii and Hawaii Reef and Ocean Coalition	Support	Written Testimony Only

Comments:

Climate Protectors Hawaii and Hawaii Reef and Ocean Coalition **SUPPORT** a working group to investigate green bond financing for mitigating and adapting to climate warming and marine ecosystem restoration.

Please pass this bill!

Climate Protectors Hawaii and Hawaii Reef and Ocean Coalition (by Ted Bohlen)



HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

FEBRUARY 4th, 2025

HB 932, RELATING TO GREEN BONDS

POSITION: SUPPORT WITH AMENDMENTS

Coalition Earth supports and suggests amendments for HB 932, relating to green bonds, which establishes a Green Bonds Working Group within the Department of Business, Economic Development, and Tourism.

According to a report produced by the Hawai'i Climate Change Mitigation and Adaptation Commission, global sea levels could rise more than three feet by 2100, with more recent projections showing this occurring as early as 2060. In turn, over the next 30 to 70 years, approximately 6,500 structures and 19,800 people statewide will be exposed to chronic flooding. Additionally, an estimated \$19 billion in economic loss would result from chronic flooding of land and structures located in exposure areas. Finally, approximately 38 miles of coastal roads and 550 cultural sites would be chronically flooded, on top of the 13 miles of beaches that have already been lost on Kaua'i, O'ahu, and Maui to erosion fronting shoreline armoring.

As we work to reduce carbon emissions and stave off the worst consequences of climate change, we must begin preparing for the adverse impact of sea level rise on our shores. We are now quantifying the speed at which we must act. We cannot continue to develop the 25,800-acre statewide sea level rise exposure area—one-third of which is designated for urban use—without risking massive structural damage and, potentially, great loss of life.

Just two years ago, we witnessed the impact of the climate emergency on our shores. On August 8, 2023, wildfires swept across Maui and killed at least 100 people, making it one of the nation's deadliest natural disasters. The spread of the fires has been attributed to climate change conditions, such as unusually dry landscapes and the confluence of a strong high-pressure system to the north and Hurricane Dora to the south. The wildfires destroyed over 2,200 structures, including numerous residential buildings, historic landmarks, and school facilities. In September

2023, a report from the United States Department of Commerce estimated the total economic damage of the wildfires to be roughly \$5.5 billion. Investing in renewable energy generation could not be more urgent, given the growing threat of climate catastrophes to our island home.

Therefore, **our state should take steps to accelerate our transition to a clean energy economy and continue our fight against climate change, including by finding innovative financing mechanisms for conservation and climate change mitigation programs.** Some states, including California, have begun exploring the use of green bonds as a means of financing projects and programs related to the advancement of climate change, clean energy, and conservation goals. Green bonds—not to be confused with green fees, which are an entirely separate funding mechanism—are specifically designed to support sustainable and socially responsible projects, including investments in renewable energy, energy efficiency, clean transportation, waste management, natural resource conservation, water system preservation, marine ecosystem restoration, and green infrastructure.

The International Capital Market Association (ICMA) has developed green bond principles, which promote integrity and transparency in the development and deployment of green bond programs. The ICMA has outlined clear processes for public and private bond issuers to follow that emphasize transparency, information accuracy, and project funding integrity in the development of green bond financing initiatives. Using these principles, the ICMA has come up with a method of mapping of green bond-eligible project categories to public environmental objectives based on projected impact, which can be used as a framework to support bond financing determinations (see chart below).

June of last year, the state reached a settlement agreement in the landmark case of *Navahine v. Hawai'i Department of Transportation*, in which Gov. Josh Green acknowledged the constitutional rights of Hawai'i's youth to a life-sustaining climate and confirmed the commitment by HDOT to plan and implement transformative changes to Hawai'i's transportation system to achieve the state's goal of net-negative emissions by 2045. Additionally, on January 28th, Gov. Green issued an executive order to promote and expedite the development of renewable energy across our state.

Amidst uncertainty regarding renewable energy policy created by the Trump administration and concerns over grid stability across the state, the order accelerates renewable development for neighbor island communities to hit 100 percent renewable portfolio standards from 2045 to 2035, sets a statewide goal of 50,000 distributed renewable energy installations (such as rooftop solar and battery systems) by 2030, and directs state departments to streamline the permitting of renewable developments to reduce energy costs.

That said, **we suggest amending this measure by placing the green bonds working group with the Hawai'i State Energy Office**, rather than DBEDT, given HESO's role in leading statewide renewable energy resilience, energy independence, and decarbonization initiatives.

Table I: Mapping of the GBP-project categories to GBP-environmental objectives

GBP - Environmental objectives					
GBP-project categories	Climate change mitigation	Climate change adaptation	Biodiversity	Natural resource conservation	Pollution prevention and control
Renewable energy	● ● ●			●	●
Energy efficiency	● ● ●				●
Pollution prevention and control projects				●	● ● ●
Environmentally sustainable management of living natural resources and land use	●	● ●	● ● ●	● ● ●	
Terrestrial and aquatic biodiversity conservation projects		●	● ● ●	● ● ●	
Clean transportation	● ● ●			●	● ● ●
Sustainable water and waste water management		● ●	● ●	● ●	● ● ●
Climate change adaptation projects		● ● ●			
Eco-efficient and/or circular economy adapted products, production technologies and processes	● ●		●	● ● ●	●
Green buildings	● ● ●	●		● ● ●	●

Contribution to objective:

primary ● ● ● secondary ● ● tertiary ●

Coalition Earth is a nongovernmental organization that works to preserve the well-being of people and our planet. We champion policies that advance climate resilience, clean energy, public health, and economic fairness for working families. Contact us at info@coalitionearth.org.

HB-932

Submitted on: 1/31/2025 1:49:36 PM

Testimony for EEP on 2/4/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Victor K. Ramos	Individual	Oppose	Written Testimony Only

Comments:

I OPPOSE this measure. The public's alleged "concern" with climate control is a democrat partisan narrative.



Food+ Policy Internship 2025

food@purplemaia.org

LATE

February 3, 2025

Subject: HB932 DBEDT; Green Bonds Working Group; Green Bonds Financing Program

Aloha Chair Lowen, Vice Chair Perruso and Members of the Energy & Environmental Protection Committee,

Hawaii Food+ Policy is in support of HB932 as it will be instrumental in achieving Hawaii's commitment to rely 100% on clean renewable energy by 2045. Hawaii has been a leading state of this nation's efforts to become sustainable and reliant on clean energy, and as an island chain we need to be making decisions that will set up a healthy future for the next generations. Hawaii is already vulnerable to our changing climate, from increasing temperatures, ocean acidification and rising sea levels, there needs to be prominent changes made to combat this. According to the State of Hawaii's Climate Portal, we are looking at an increased loss of native forests and land, an increased loss of coral reefs, and an expansion of invasive species that take a liking to our increased temperatures. We are already experiencing damage to the lands that protect and provide for us, so it is important for us to protect them as well.

With the establishment of a Green Bonds working group in the Department of Business, Economic Development, and Tourism, we can provide support to the organizations and companies that focus on protecting our islands. We are only 20 years from our deadline goal of being 100% reliant on clean renewable energy, and according to the US Energy Information Administration, we were at 31% in 2023. To more than double that percentage over the next 2 decades we need to prioritize supporting renewable and green technologies. Most of these solutions are going to be coming from organizations within our state, and with our state's priority to sustainability there is a responsibility to support them. To ensure that organizations can receive the financial support they will need with these developments, the establishment of Green Bonds is essential. HB932 is a bill that can help drive Hawaii to a sustainable and renewable future, which is why we are asking you as the Energy and Environmental Protection committee to support in passing this bill. Thank you for your consideration.

The Food+ Policy internship develops student advocates who learn work skills while increasing civic engagement to become emerging leaders. We focus on good food systems policy because we see the importance and potential of the food system in combating climate change and increasing the health, equity, and resiliency of Hawai'i communities.

In 2024, the cohort of interns are undergrads and graduate students from throughout the UH System. They are a mix of traditional and nontraditional students, including parents and veterans, who have backgrounds in education, farming, public health, nutrition, and Hawaiian culture.



Food+ Policy Internship 2025

food@purplemaia.org

Mahalo,
The Hawaii Food+ Policy Team

Sources

“Hawaii State Energy Profile.” *Hawaii Profile*,
www.eia.gov/state/print.php?sid=HI#:~:text=Hawaii%20Quick%20Facts,total%20generation%20came%20from%20renewables

“Rising Temperatures.” *Rising Temperatures*, climate.hawaii.gov/hi-facts/temperature/

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