ACT 96

H.B. NO. 2175

A Bill for an Act Relating to Energy.

Be It Enacted by the Legislature of the State of Hawaii:

PART I

SECTION 1. The legislature finds that Hawaii's dependence on petroleum for about ninety per cent of its energy needs is higher than any other state in the nation. This dependence makes the state extremely vulnerable to any oil embargo, supply disruption, and international market dysfunction, and many other factors beyond the control of the State. Furthermore, the continued consumption of conventional petroleum fuel negatively impacts the environment.

The legislature also finds that increased energy efficiency and use of renewable energy resources would increase Hawaii's energy self-sufficiency, achieving broad societal benefits, including increased energy security, resistance to increases in oil prices, environmental sustainability, economic development, and job creation.

Over the years, the legislature has worked steadily to encourage the deployment of renewable energy resources and energy efficiency initiatives. This includes:

(1) Establishing a net energy metering program, interconnection standards, and renewable energy tax credits;

(2) Establishing greenhouse gas and energy consumption reduction goals for state facilities and requiring the use of energy efficient products in state facilities; and

(3) Providing incentives for the deployment of solar energy devices.

The legislature also established an enforceable renewable energy portfolio standard, under which twenty per cent of Hawaii's electricity is to be generated from renewable resources by the end of 2020.

To shape Hawaii's energy future and achieve the goal of energy self-sufficiency for the State of Hawaii, our efforts must continue on all fronts, integrating new and evolving technologies and providing incentives and assistance to address barriers.

The purpose of this Act is to provide one segment of a larger comprehensive approach to achieving energy self-sufficiency for the state by:

(1) Authorizing the issuance of general obligation bonds to develop and implement a pilot project to install photovoltaic systems at public schools within the counties of Oahu, Hawaii, Kauai, and Maui;

(2) Establishing new planning and budget preparation goals for state agencies that incorporate green building practices; the installation of renewable energy resources such as cost-effective solar water heating systems; increased conservation, waste reduction, and pollution prevention directives; the procurement of environmentally preferable products, including fuel-efficient vehicles and alternative fuels; and the use of energy-savings contracts for the provision of energy services and equipment; and

(3) Promoting the use of green building practices by requiring each county agency that issues building, construction, or development-related permits to establish a procedure for priority processing of permit applications for construction projects incorporating energy and environmental design building standards.

PART II

RENEWABLE ENERGY AND ENERGY-EFFICIENCY IN HAWAII'S PUBLIC SCHOOLS

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of $5,000,000 or so much thereof as may be necessary for fiscal year 2006-2007 to develop and implement a photovoltaic, net energy metered pilot project in public schools. The project sites shall be determined by the department of education as those most suitable in meeting the pilot project's objectives. The project objectives are as follows:

(1) To have, at minimum, a project site at one public school within each of the counties of Oahu, Hawaii, Kauai, and Maui;

(2) To allow installation of photovoltaic systems to be timed in conjunction with substantial roof repairs or roof replacement of a building to further reduce project costs;

(3) To use the application of net energy metering to offset costs of the system;
(4) To recapture system costs within three quarters of the useful life of the photovoltaic system; and
(5) When advantageous, to use energy-savings contracts such as third party lease or purchase contracts to maximize the objectives of this section.

The sum appropriated shall be expended by the department of education for the purposes of this section.

The department of education shall submit an interim report of the pilot project to the legislature no later than twenty days prior to the convening of the regular session of 2007 and a final report to the legislature no later than twenty days prior to the convening of the regular session of 2008.

SECTION 3. The appropriations made for the capital improvement projects authorized by section 2 shall not lapse at the end of the fiscal biennium for which the appropriation is made; provided that all moneys from the appropriation unencumbered as of June 30, 2008, shall lapse as of that date.

PART III
PROMOTING RENEWABLE ENERGY AND ENERGY EFFICIENCY FOR STATE FACILITIES, MOTOR VEHICLES, AND EQUIPMENT

SECTION 4. Chapter 196, Hawaii Revised Statutes, is amended by adding one new section to be appropriately designated and to read as follows:

"**§196-A Energy efficiency and environmental standards for state facilities, motor vehicles, and transportation fuel.** (a) Each agency is directed to implement, to the extent possible, the following goals during planning and budget preparation and program implementation.

(b) With regard to buildings and facilities, each agency shall:

(1) Design and construct buildings meeting the Leadership in Energy and Environmental Design silver or two green globes rating system or another comparable state-approved, nationally recognized, and consensus-based guideline, standard, or system, except when the guideline, standard, or system interferes or conflicts with the use of the building or facility as an emergency shelter;
(2) Incorporate energy-efficiency measures to prevent heat gain in residential facilities up to three stories in height to provide R-19 or equivalent on roofs, R-ll or equivalent in walls, and high-performance windows to minimize heat gain and, if air conditioned, minimize cool air loss. R-value is the constant time rate resistance to heat flow through a unit area of a body induced by a unit temperature difference between the surfaces. R-values measure the thermal resistance of building envelope components such as roof and walls. The higher the R-value, the greater the resistance to heat flow. Where possible, buildings shall be oriented to maximize natural ventilation and day-lighting without heat gain and to optimize solar for water heating. This provision shall apply to new residential facilities built using any portion of state funds or located on state lands;
(3) Install solar water heating systems where it is cost-effective, based on a comparative analysis to determine the cost-benefit of using a conventional water heating system or a solar water heating system. The analysis shall be based on the projected life cycle costs to purchase and operate the water heating system. If the life cycle analysis is positive,

the facility shall incorporate solar water heating. If water heating entirely by solar is not cost-effective, the analysis shall evaluate the life cycle, cost-benefit of solar water heating for preheating water. If a multi-story building is centrally air conditioned, heat recovery shall be employed as the primary water heating system. Single family residential clients of the department of Hawaiian home lands and any agency or program that can take advantage of utility rebates shall be exempted from the requirements of this paragraph so they may continue to qualify for utility rebates for solar water heating;

(4) Implement water and energy efficiency practices in operations to reduce waste and increase conservation;

(5) Incorporate principles of waste minimization and pollution prevention, such as reducing, revising, and recycling as a standard operating practice in programs, including programs for waste management in construction and demolition projects and office paper and packaging recycling programs;

(6) Use life cycle cost-benefit analysis to purchase energy efficient equipment such as ENERGY STAR products and use utility rebates where available to reduce purchase and installation costs; and

(7) Procure environmentally preferable products, including recycled and recycled-content, bio-based, and other resource-efficient products and materials.

(c) With regard to motor vehicles and transportation fuel, each agency shall:

(1) Comply with Title 10, Code of Federal Regulations, Part 490, Subpart C, "Mandatory State Fleet Program", if applicable;

(2) Comply with all applicable state laws regarding vehicle purchases;

(3) Once federal and state vehicle purchase mandates have been satisfied, purchase the most fuel-efficient vehicles that meet the needs of their programs; provided that life cycle cost-benefit analysis of vehicle purchases shall include projected fuel costs;

(4) Purchase alternative fuels and ethanol blended gasoline when available;

(5) Evaluate a purchase preference for biodiesel blends, as applicable to agencies with diesel fuel purchases;

(6) Promote efficient operation of vehicles;

(7) Use the most appropriate minimum octane fuel; provided that vehicles shall use 87-octane fuel unless the owner's manual for the vehicle states otherwise or the engine experiences knocking or pinging;

(8) Beginning with fiscal year 2005-2006 as the baseline, collect and maintain, for the life of each vehicle acquired, the following data:
   (A) Vehicle acquisition cost;
   (B) United States Environmental Protection Agency rated fuel economy;
   (C) Vehicle fuel configuration, such as gasoline, diesel, flex-fuel gasoline/E85, and dedicated propane;
   (D) Actual in-use vehicle mileage;
   (E) Actual in-use vehicle fuel consumption; and
   (F) Actual in-use annual average vehicle fuel economy; and

(9) Beginning with fiscal year 2005-2006 as the baseline with respect to each agency that operates a fleet of thirty or more vehicles, collect and maintain, in addition to the data in paragraph (8), the following:
   (A) Information on the vehicles in the fleet, including vehicle year, make, model, gross vehicle weight rating, and vehicle fuel configuration;
   (B) Fleet fuel usage, by fuel;

(C) Fleet mileage; and
(D) Overall annual average fleet fuel economy and average miles per gallon of gasoline and diesel."

SECTION 5. Section 196-1, Hawaii Revised Statutes, is amended to read as follows:

"**§196-1 Findings and declaration of necessity.** The legislature finds that:

(1) [~~There is widespread shortage of~~] The global demand for petroleum and its derivatives [~~which~~] has caused severe economic hardships throughout the State and [~~which~~] threatens to impair the public health, safety and welfare.

[~~The current energy crisis is caused by a global energy shortage which will worsen through the remainder of this decade and may continue to the end of this century.~~] The State of Hawaii, with its total dependence [~~for energy~~] on imported fossil fuel, is particularly vulnerable to dislocations in the global energy market. This is an anomalous situation, as there are few places in the world so generously endowed with natural energy: geothermal, solar radiation, ocean temperature differential, wind, waves, and currents—all potential non-polluting power sources[~~.~~];

(2) There is a real need for strategic comprehensive planning in the effort towards achieving full utilization of Hawaii's energy resource programs and the most effective allocation of energy resources throughout the State. Planning is necessary and desirable in order that the State may recognize and declare the major problems and opportunities in the field of energy resources. Both short-range and long-range planning will permit the articulation of:
   (A) [~~broad~~] Broad policies, goals, and objectives;
   (B) [~~criteria~~] Criteria for measuring and evaluating accomplishments of objectives;
   (C) [~~identification~~] Identification and implementation of programs [~~which~~] that will carry out such objectives; and
   (D) [~~a~~] A determination of requirements necessary for the optimum development of Hawaii's energy resources.

   Such planning efforts will identify present conditions and major problems relating to energy resources, their exploration, development, production, and distribution. It will show the projected nature of the situation and rate of change and present conditions for the foreseeable future based on a projection of current trends in the development of energy resources in Hawaii[~~.~~];

(3) There are many agencies of the federal, state, and county governments in Hawaii, as well as many private agencies, engaged in, or expressing an interest in, various aspects of the exploration, research, distribution, conservation, and production of all forms of energy resources in Hawaii. Some of these agencies include the University of Hawaii, the department of land and natural resources, the department of business, economic development, and tourism, the [~~consumer protection,~~] division of consumer advocacy, the federal energy office, and various county agencies, as well as the oil companies, gas stations, and other private enterprises[~~.~~]; and

(4) There is immediate need to coordinate the efforts of all these agencies, establish and coordinate programs to effectuate the conservation of fuel, to provide for the equitable distribution thereof, and to formulate

plans for the development and use of alternative energy sources. There is a need for such coordination so that there will be maximum conservation and utilization of energy resources in the State."

SECTION 6. Section 196-18, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:

"(a) The coordinator shall appoint an advisory committee consisting of representatives from:

(1) State agencies[~~;~~], including the University of Hawaii;
[~~(2) County governments;~~
~~(3)~~] (2) Energy service companies;
[~~(4)~~] (3) Utility companies;
[~~(5)~~] (4) Equipment manufacturers;
[~~(6)~~] (5) Construction and architectural companies;
[~~(7)~~] (6) Environmental, energy, and consumer groups; and
[~~(8)~~] (7) Other energy-related organizations.

(b) The committee shall provide input on state energy management, including how to:

(1) Improve the use of energy-savings [~~performance~~] contracts [~~and utility energy-efficiency service contracts~~];
(2) Improve procurement of ENERGY STAR and other energy efficient products;
(3) Improve building design;
(4) Reduce [~~process~~] energy use; [~~and~~]
(5) Enhance applications of efficient and renewable energy technologies at state facilities[~~.~~];
(6) Establish benchmarks and evaluate the State's progress in incorporating energy efficiency and conservation for state facilities, vehicles, and equipment;
(7) Make recommendations on how and when to conduct periodic energy audits; and
(8) Make recommendations to the legislature no later than twenty days prior to the convening of each regular session, starting with the 2008 regular session, regarding policy or other statutory changes to carry out the purposes of this chapter."

SECTION 7. Section 196-21, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

"(a) Agencies shall maximize their use of available alternative financing contracting mechanisms, including energy-savings [~~performance~~] contracts [~~and utility energy-efficiency service contracts~~], when life-cycle cost-effective, to reduce energy use and cost in their facilities and operations. Energy-savings contracts shall include:

(1) Energy performance contracts;
(2) Municipal lease and purchase financing; and
(3) Utility energy-efficiency service contracts.

Energy-savings [~~performance~~] contracts [~~and utility energy-efficiency service contracts~~] shall provide significant opportunities for making state facilities more energy efficient at no net cost to taxpayers."

2. By amending subsection (c) to read as follows:

"(c) Notwithstanding any law to the contrary relating to the award of public contracts, any agency desiring to enter into an [~~energy performance~~] energy-savings contract shall do so in accordance with the following provisions:

(1) The agency shall issue a public request for proposals, advertised in the same manner as provided in chapter 103D, concerning the provision of [~~energy efficiency~~] energy-efficiency services or the design, installation, operation, and maintenance of energy equipment[~~, or both~~]. The request for proposals shall contain terms and conditions relating to submission of proposals, evaluation, and selection of proposals, financial terms, legal responsibilities, and other matters as may be required by law and as the agency determines appropriate;

(2) Upon receiving responses to the request for proposals, the agency [~~may~~] shall select the most qualified proposal or proposals [~~on~~] and may base its determination on the basis of the experience and qualifications of the proposers, the technical approach, the financial arrangements, the overall benefits to the agency, [~~and~~] or other factors determined by the agency to be relevant and appropriate;

(3) The agency thereafter may negotiate and enter into an [~~energy performance~~] energy-savings contract with the person or company whose proposal is selected as the most qualified based on the criteria established by the agency;

(4) The term of any [~~energy performance~~] energy-savings contract entered into pursuant to this section shall not exceed fifteen years;

(5) Any [~~energy performance~~] energy-savings contract may provide that the agency ultimately shall receive title to the energy system being financed under the contract; and

(6) Any [~~energy performance~~] energy-savings contract shall provide that total payments shall not exceed total savings."

SECTION 8. Section 196-22, Hawaii Revised Statutes, is amended to read as follows:

"**§196-22 State energy projects.** State energy projects may be implemented under this chapter with the approval of the comptroller and the director of finance. Notwithstanding section 36-41 or 196-21, the comptroller or the senior agency official of the department of accounting and general services, along with the director of finance, may exempt a state energy project from the advertising and competitive bidding requirements of section 36-41 or 196-21 and chapter 103, if the comptroller deems exemption appropriate for energy projects with proprietary technology or necessary to meet the goals of the legislature. In addition, this section shall be construed to provide the greatest possible flexibility to agencies in structuring agreements [~~entered into~~] so that economic benefits and existing energy incentives may be used and maximized, and financing and other costs to agencies may be minimized. The specific terms of [~~energy performance~~] energy-savings contracting under section 36-41 may be altered if deemed advantageous to the agency and approved by the director of finance and the senior agency official."

SECTION 9. Section 196-23, Hawaii Revised Statutes, is amended to read as follows:

"[~~[~~]**§196-23**[~~]~~] **Energy efficient products.** (a) Agencies shall select, [~~where~~] when life-cycle cost-effective, ENERGY STAR and other energy efficient products when acquiring energy-using products. For product groups where ENERGY STAR labels are not yet available, agencies may select products that are in

the upper twenty-five per cent of energy efficiency as designated by the United States Department of Energy, Office of Energy Efficiency and Renewable Energy, [~~Federal Energy Management Program.~~] federal energy management program.

(b) Agencies shall incorporate [~~energy efficient~~] energy-efficient criteria consistent with designated [~~energy efficiency~~] energy-efficiency levels [~~into all guide specifications and project specifications developed for new construction and renovation, as well as~~] into product specification language developed for all purchasing procedures.

(c) The State shall [~~also~~] consider the creation of financing agreements with private sector suppliers to provide private funding to offset higher up-front costs of efficient products.

[~~(b) Agencies shall strive to meet the ENERGY STAR building criteria for energy performance and indoor environmental quality in their eligible facilities to the maximum extent practicable by December 31, 2005. Agencies may use energy-savings performance contracts, utility energy-efficiency service contracts, or other means to conduct evaluations and make improvements to facilities. Facilities that rank in the top twenty-five per cent in energy efficiency relative to comparable commercial and state buildings shall receive the ENERGY STAR building label or its equivalent as determined by the coordinator. Agencies shall integrate this rating tool into their general facility audits.~~

~~(c) The State shall employ sustainable design principles and agencies shall apply the principles to the siting, design, and construction of new facilities. Agencies shall optimize life-cycle costs, pollution, and other environmental and energy costs associated with the construction, life-cycle operation, and decommissioning of the facility. Agencies shall consider using energy-savings performance contracts or utility energy-efficiency service contracts to aid them in constructing sustainably designed buildings.~~]

(d) Agencies entering into leases, including the renegotiation or extension of existing leases, shall [~~incorporate~~]:

(1) Incorporate lease provisions that encourage energy and water efficiency wherever life-cycle cost-effective. Build-to-suit lease solicitations shall contain criteria encouraging sustainable design and development, energy efficiency, and verification of facility performance[~~. Agencies shall include~~];

(2) Include a preference for facilities having an ENERGY STAR building label in their selection criteria for acquiring leased facilities[~~. In addition, all agencies shall encourage~~]; and

(3) Encourage lessors to apply for an ENERGY STAR building label and to explore and implement projects that will reduce costs to the State, including projects carried out through the lessors' energy-savings [~~performance~~] contracts [~~or utility energy-efficiency service contracts~~].

[~~(e) Agencies shall implement energy reduction systems, and other highly efficient systems, in new construction or retrofit projects when life-cycle cost-effective. Agencies shall consider combined cooling, heat, and power systems when determined to be the most cost-effective when measured against other alternatives on a life-cycle cost basis. Agencies shall survey local natural resources to optimize use of available solar, ocean thermal, biomass, bioenergy, geothermal, or other naturally occurring energy sources.~~

~~(f) Agencies shall use off-grid generation systems, including solar hot water, solar electric, solar outdoor lighting, small wind turbines, fuel cells, and other off-grid alternatives, where such systems are life-cycle cost-effective and offer benefits including energy efficiency, pollution prevention, source energy reductions, avoided infrastructure costs, or expedited service.~~]''

SECTION 10. There is appropriated out of the general revenues of the State of Hawaii the sum of $500,000 or so much thereof as may be necessary for fiscal year 2006-2007, to carry out the purposes of this part regarding energy-efficiency for state facilities and equipment.

The sum appropriated shall be expended by the department of business and economic development, and tourism.

SECTION 11. The department of education and department of accounting and general services are requested to identify projects that need to be funded through general obligation bonds and report back to the legislature at least twenty days before the convening of the regular session of 2007.

SECTION 12. There is appropriated out of the general revenues of the State of Hawaii the sum of $65,000 or so much thereof as may be necessary for fiscal year 2006-2007 to establish one full-time permanent energy coordinator position to address energy efficiency in department of education facilities.

The sum appropriated shall be expended by the department of education for the purposes of this section.

SECTION 13. There is appropriated out of the general revenues of the State of Hawaii the sum of $130,000 or so much thereof as may be necessary for fiscal year 2006-2007 to establish two full-time energy coordinator positions to address energy efficiency in department of business, economic development, and tourism facilities.

The sum appropriated shall be expended by the department of business, economic development, and tourism for the purposes of this section.

SECTION 14. Section 196-8, Hawaii Revised Statutes, is repealed.

SECTION 15. Section 196-12, Hawaii Revised Statutes, is repealed.

SECTION 16. Section 196-13, Hawaii Revised Statutes, is repealed.

SECTION 17. Section 196-14, Hawaii Revised Statutes, is repealed.

SECTION 18. Section 196-15, Hawaii Revised Statutes, is repealed.

SECTION 19. Section 196-16, Hawaii Revised Statutes, is repealed.

SECTION 20. Section 196-17, Hawaii Revised Statutes, is repealed.

SECTION 21. Section 196-20, Hawaii Revised Statutes, is repealed.

SECTION 22. Section 196-24, Hawaii Revised Statutes, is repealed.

SECTION 23. Section 196-25, Hawaii Revised Statutes, is repealed.

SECTION 24. Section 196-26, Hawaii Revised Statutes, is repealed.

SECTION 25. Section 196-27, Hawaii Revised Statutes, is repealed.

SECTION 26. Section 196-28, Hawaii Revised Statutes, is repealed.

SECTION 27. Section 196-29, Hawaii Revised Statutes, is repealed.

PART IV
ENERGY-EFFICIENT VEHICLES

SECTION 28. Section 103D-412, Hawaii Revised Statutes, is amended to read as follows:

"[~~[~~]§103D-412[~~]~~] [~~Highly energy-efficient~~] Energy-efficient vehicles. (a) The procurement policy for all agencies purchasing or leasing motor [~~vehicle fleets~~] vehicles shall be to obtain [~~alternative fuel~~] energy-efficient vehicles. [~~Beginning January 1, 2006, all state agencies~~] All covered fleets are directed to procure increasing percentages of [~~alternative fuel~~] energy-efficient vehicles as part of their annual vehicle acquisition plans, which shall be as follows:

(1) [~~By January 1, 2007,~~] In the fiscal year beginning July 1, 2006, at least twenty per cent of newly purchased light-duty vehicles acquired by each [~~agency~~] covered fleet shall be [~~alternative fuel~~] energy-efficient vehicles;

(2) In the fiscal year beginning July 1, 2007, at least thirty per cent of newly purchased light-duty vehicles acquired by each covered fleet shall be energy-efficient vehicles;

[~~(2) By January 1, 2009,~~] (3) In the fiscal year beginning July 1, 2008, at least forty per cent of newly purchased light-duty vehicles acquired by each [~~agency~~] covered fleet shall be [~~alternative fuel~~] energy-efficient vehicles; and

[~~(3)~~] (4) For each subsequent fiscal year [~~subsequent to January 1, 2009~~], the percentage of [~~alternative fuel~~] energy-efficient vehicles newly purchased shall be five percentage points higher than the previous year, until at least [~~sixty~~] seventy-five per cent of each [~~agency's~~] covered fleet's newly purchased, light-duty vehicles are [~~alternative fuel~~] energy-efficient vehicles.

(b) For the purposes of this section:

"Agency" means a state agency, office, or department.

"Alternative fuel" has the same meaning as contained in 10 Code of Federal Regulations Part 490.

"Covered fleet" has the same meaning as contained in 10 Code of Federal Regulations Part 490 Subpart C.

[~~"Alternative fuel~~] "Energy-efficient vehicle" means a vehicle that:

(1) Is capable of using an alternative fuel;

[~~(1)~~] (2) Is powered primarily through the use of an electric battery or battery pack that stores energy produced by an electric motor through regenerative braking to assist in vehicle operation;

[~~(2)~~] (3) Is propelled by power derived from one or more cells converting chemical energy directly into electricity by combining oxygen with hydrogen fuel that is stored on board the vehicle in any form; [~~or~~]

[~~(3)~~] (4) Draws propulsion energy from onboard sources of stored energy generated from an internal combustion or heat engine using combustible fuel and a rechargeable energy storage system[~~,~~]; or

(5) Is on the list of "Most Energy Efficient Vehicles" in its class or is in the top one-fifth of the most energy-efficient vehicles in its class available in Hawaii as shown by vehicle fuel efficiency lists, rankings, or reports maintained by the United States Environmental Protection Agency.

"Excluded vehicles" has the same meaning as provided in 10 Code of Federal Regulations Section 490.3.

"Light-duty vehicle" has the same meaning as contained in 10 Code of Federal Regulations Part 490.

(c) Agencies may offset [~~the~~] energy-efficient vehicle purchase requirements [~~for alternative fuel vehicles~~] by successfully demonstrating percentage improvements in overall light-duty vehicle fleet mileage economy. The offsets shall be measured against the fleet average [~~mileage economy~~] miles per gallon of petroleum-based gasoline and diesel fuel, using [~~calendar year 2004~~] the fiscal year beginning July 1, 2006, as a baseline, on a percentage-by-percentage basis.

(d) Agencies that use biodiesel fuel may offset the vehicle purchase requirements of this section at the rate of one vehicle for each four hundred fifty gallons of neat biodiesel fuel used. Neat biodiesel fuel is one hundred per cent biodiesel (B100) by volume.

(e) Agencies may apply to the chief procurement officer for exemptions from the requirements of this section to the extent that the vehicles required by this section are not available or do not meet the specific needs of the agency.

(f) Vehicles acquired from another state agency and excluded vehicles are exempt from the requirements of this section.

(g) Nothing in this section is intended to interfere with an agency's ability to comply with federally-imposed vehicle purchase mandates such as those required by 10 Code of Federal Regulations Part 490 Subpart C."

PART V
COUNTY BUILDING PERMITS AND ENERGY AND ENVIRONMENTAL EFFICIENT DESIGN PRIORITY PROCESSING

SECTION 29. Chapter 46, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"**§46- County building permits; incorporation of energy and environmental design building standards in project design; priority processing.** (a) Each county agency that issues building, construction, or development-related permits shall establish a procedure for the priority processing of a permit application submitted by a private entity for a construction project that incorporates energy and environmental design building standards into its project design. The permit processing procedure shall give priority to private sector permit applicants at no additional cost to the applicant. Any priority permit processing procedure established by a county pursuant to this section shall not imply or provide that any permit application filed under the priority processing procedure shall be automatically approved.

(b) For the purposes of this section:

"Energy and environmental design building standards" means the leadership in energy and environmental design silver or two green globes rating system or another comparable state-approved, nationally recognized, and consensus-based guideline, standard, or system.

"Private entity" means any permit applicant that is not the State, a county, the federal government, or any political subdivision thereof."

PART VI
MISCELLANEOUS PROVISIONS

SECTION 30. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun, before its effective date.

SECTION 31. In codifying the new sections added by this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in designating the new sections in this Act.

SECTION 32. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.[1]

SECTION 33. This Act shall take effect upon its approval; provided that sections 2, 3, 10, 12 and 13 shall take effect on July 1, 2006.

(Approved May 12, 2006.)

Note

1. Edited pursuant to HRS §23G-16.5.