
A BILL FOR AN ACT

RELATING TO ENERGY.

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

1 SECTION 1. The purpose of this Act is to support the
2 renewable energy industry in Hawaii by:

3 (1) Establishing a renewable energy branch in the
4 department of business, economic development, and
5 tourism to coordinate and promote renewable energy
6 initiatives;

7 (2) Strengthening laws supporting energy diversification,
8 long-term provision of dependable energy services, and
9 use of diverse energy technologies; and

10 (3) Providing adequate resources for the support of the
11 renewable energy industry, and for comprehensive
12 energy planning, in the department of business,
13 economic development, and tourism.

14 SECTION 2. Chapter 201, Hawaii Revised Statutes, is
15 amended by adding a new section to be appropriately designated
16 and to read as follows:

1 "§201- Renewable energy branch; establishment. (a)

2 There is established a renewable energy branch within the
3 department.

4 (b) Branch functions shall include but not be limited to:

5 (1) Renewable energy resource assessments, technical

6 analyses, and resource development functions,

7 including design, management, and completion of

8 systematic analysis of existing and proposed energy

9 resource programs;

10 (2) Evaluation of analyses conducted by government

11 agencies and other organizations;

12 (3) Development and management of programs to encourage

13 public and private exploration, research, and

14 commercial development of renewable energy resources;

15 (4) Project facilitation functions, including the

16 development and implementation of programs to

17 facilitate the efficient permitting of renewable

18 energy projects;

19 (5) Renewable energy partnership and outreach functions,

20 including participation in renewable and sustainable

21 energy evaluation and demonstration projects,

22 outreach, and other activities to promote technically,

- 1 economically, and environmentally feasible
- 2 technologies and projects;
- 3 (6) Renewable energy resource, technology, and project
- 4 viability consultant functions, including serving as a
- 5 consultant to the governor, public agencies, and
- 6 private industry on matters related to the use of
- 7 Hawaii's renewable energy resources; and
- 8 (7) Research, reporting, implementation, and support of
- 9 renewable and transportation energy related laws."

10 SECTION 3. Section 196-4, Hawaii Revised Statutes, is
 11 amended to read as follows:

12 "**§196-4 Powers and duties.** Subject to the approval of the
 13 governor, the coordinator shall:

- 14 (1) Formulate plans, including objectives, criteria to
- 15 measure accomplishment of objectives, programs through
- 16 which the objectives are to be attained, and financial
- 17 requirements for the optimum development of Hawaii's
- 18 energy resources;
- 19 (2) Conduct systematic analysis of existing and proposed
- 20 energy resource programs, evaluate the analysis
- 21 conducted by government agencies and other
- 22 organizations and recommend [~~to the governor and to~~

- 1 ~~the legislature~~] programs [~~which~~] that represent the
2 most effective allocation of resources for the
3 development of energy sources;
- 4 (3) Formulate and recommend specific proposals, as
5 necessary, for conserving energy and fuel, including
6 the allocation and distribution thereof [~~, to the~~
7 ~~governor and to the legislature~~];
- 8 (4) Assist public and private agencies in implementing
9 energy conservation and efficiency programs, the
10 development of indigenous energy resources, and
11 related measures;
- 12 (5) Coordinate the State's energy [~~conservation and~~
13 ~~allocation~~] programs with [~~that~~] those of the federal
14 government, other state governments, governments of
15 nations with interest in common energy resources, and
16 the political subdivisions of the State;
- 17 (6) Develop programs to encourage private and public
18 exploration [~~and~~], research, and development of
19 [~~alternative~~] indigenous energy resources [~~which~~] that
20 will benefit the State;

- 1 (7) Conduct public education programs to inform the public
2 of the energy situation as may exist from time to time
3 and of the government actions taken thereto;
- 4 (8) Serve as consultant to the governor, public agencies,
5 and private industry on energy-related matters
6 [~~related to the acquisition, utilization and~~
7 ~~conservation of energy resources~~];
- 8 (9) Contract for services when required for implementation
9 of this chapter;
- 10 (10) Review proposed state actions [~~which~~] that the
11 coordinator finds to have significant effect on
12 [~~energy consumption~~] the State's energy objectives and
13 report to the governor their effect on the energy
14 [~~conservation~~] program, and perform [~~such~~] other
15 services as may be required by the governor and the
16 legislature;
- 17 (11) Prepare and submit an annual report and [~~such~~] other
18 reports as may be requested to the governor and to the
19 legislature on the implementation of this chapter and
20 all matters related to energy resources; [~~and~~]
- 21 (12) Formulate a systematic process, including the
22 development of requirements, to identify geographic

1 areas that are rich with renewable energy resource
2 potential that can be developed in a cost-effective
3 and environmentally benign manner and designate these
4 areas as renewable energy zones;

5 (13) Develop and recommend incentives, plans, and programs
6 to encourage the development of renewable energy
7 resource projects within the renewable energy zones;

8 (14) Assist public and private agencies in identifying
9 utility transmission projects or infrastructure
10 required to accommodate and facilitate the development
11 of renewable energy resources;

12 (15) Assist public and private agencies, in coordination
13 with the department of budget and finance, in
14 accessing the use of special purpose revenue bonds to
15 finance the engineering, design, and construction of
16 transmission projects and infrastructure that are
17 deemed critical to the development of renewable energy
18 resources;

19 (16) Develop the criteria or requirements for identifying
20 and qualifying specific transmission projects and
21 infrastructure that are critical to the development of
22 renewable energy resources, including providing

1 assistance in accessing the use of special purpose
2 revenue bonds to finance the projects or
3 infrastructure; and

4 ~~[(12)]~~ (17) Adopt rules for the administration of this
5 chapter pursuant to chapter 91~~[, provided that the~~
6 ~~rules shall be submitted to the legislature for~~
7 ~~review]."~~

8 SECTION 4. Section 226-18, Hawaii Revised Statutes, is
9 amended to read as follows:

10 "**§226-18 Objectives and policies for facility systems--**

11 **energy.** (a) Planning for the State's facility systems with
12 regard to energy shall be directed toward the achievement of the
13 following objectives, giving due consideration to all:

14 (1) Dependable, efficient, and economical statewide energy
15 systems capable of supporting the needs of the people;

16 (2) Increased energy self-sufficiency where the ratio of
17 indigenous to imported energy use is increased;

18 (3) Greater energy security and diversification in the
19 face of threats to Hawaii's energy supplies and
20 systems; and

21 (4) Reduction, avoidance, or sequestration of greenhouse
22 gas emissions from energy supply and use.

1 (b) To achieve the energy objectives, it shall be the
2 policy of this State to ensure the short- and long-term
3 provision of adequate, reasonably priced, and dependable energy
4 services to accommodate demand.

5 (c) To further achieve the energy objectives, it shall be
6 the policy of this State to:

7 (1) Support research and development as well as promote
8 the use of renewable energy sources;

9 (2) Ensure that the combination of energy supplies and
10 energy-saving systems is sufficient to support the
11 demands of growth;

12 (3) Base decisions of least-cost supply-side and demand-
13 side energy resource options on a comparison of their
14 total costs and benefits when a least-cost is
15 determined by a reasonably comprehensive,
16 quantitative, and qualitative accounting of their
17 long-term, direct and indirect economic,
18 environmental, social, cultural, and public health
19 costs and benefits;

20 (4) Promote all cost-effective conservation of power and
21 fuel supplies through measures, including:

- 1 (A) Development of cost-effective demand-side
2 management programs;
- 3 (B) Education; and
- 4 (C) Adoption of energy-efficient practices and
5 technologies;
- 6 (5) Ensure, to the extent that new supply-side resources
7 are needed, that the development or expansion of
8 energy systems uses the least-cost energy supply
9 option and maximizes efficient technologies;
- 10 (6) Support research, development, ~~and~~ demonstration,
11 and use of energy efficiency, load management, and
12 other demand-side management programs, practices, and
13 technologies;
- 14 (7) Promote alternate fuels and transportation energy
15 efficiency ~~[by encouraging diversification of
16 transportation modes and infrastructure];~~
- 17 (8) Support actions that reduce, avoid, or sequester
18 greenhouse gases in utility, transportation, and
19 industrial sector applications;
- 20 (9) Support actions that reduce, avoid, or sequester
21 Hawaii's greenhouse gas emissions through agriculture
22 and forestry initiatives; and

1 (10) Provide priority handling and processing for all state
2 and county permits required for renewable energy
3 projects."

4 SECTION 5. Subject to the availability of federal funding
5 for energy programs provided by grants and subject to the
6 constraints, oversight, and reporting requirements of those
7 federal programs, the governor is hereby authorized to establish
8 positions necessary to accomplish the management of those
9 projects funded by federal grants; provided that the positions
10 shall be exempt from chapter 76, Hawaii Revised Statutes; and
11 provided further that the governor shall submit a report to the
12 legislature on all positions established as of December 31 and
13 June 30 of each fiscal year that the positions exist and are
14 occupied.

15 SECTION 6. There are established within the department of
16 business, economic development, and tourism seven full-time
17 temporary positions to support the planning and renewable energy
18 provisions of chapters 196, 201, and 226, Hawaii Revised
19 Statutes. The positions shall be exempt from chapter 76, Hawaii
20 Revised Statutes.

21 SECTION 7. There is appropriated out of the general
22 revenues of the State of Hawaii the sum of \$ or so

1 much thereof as may be necessary for fiscal year 2009-2010 and
2 the same sum or so much thereof as may be necessary for fiscal
3 year 2010-2011 to be deposited into the energy security special
4 fund.

5 SECTION 8. There is appropriated out of the energy
6 security special fund the sum of \$ or so much thereof
7 as may be necessary for fiscal year 2009-2010 and the same sum
8 or so much thereof as may be necessary for fiscal year 2010-2011
9 for the seven full-time, temporary positions, established under
10 section 6.

11 The sums appropriated shall be expended by the department
12 of business, economic development, and tourism for the purposes
13 of this Act.

14 SECTION 9. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 10. This Act shall take effect on July 1, 2009.

Report Title:

Renewable Energy Branch; Appropriation

Description:

Establishes the renewable energy branch in the department of business, economic development, and tourism to coordinate and promote renewable energy initiatives. Strengthens existing renewable energy and planning provisions. Provides for staffing, and, subject to federal funding, project managers to oversee energy projects funded by federal grants. Appropriates funds. (SD1)