
A BILL FOR AN ACT

RELATING TO PUBLIC FINANCE.

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

1 SECTION 1. The purpose of this Act is to advance and
2 support Hawaii's clean energy agenda by creating a mechanism to
3 receive private and public funds, including federal grants and
4 legislative appropriations, in the form of a clean energy
5 special account within the energy security special fund in the
6 department of business, economic development, and tourism.
7 Moneys in the clean energy special account will be used to
8 support clean economic development within the State, including
9 due diligence or feasibility studies on proposed projects
10 recommended by the department.

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

13 "**§201-12.8 Energy security special fund; uses.** (a) There
14 is created within the state treasury an energy security special
15 fund, which shall consist of:

16 (1) The portion of the environmental response, energy, and
17 food security tax specified under section 243-3.5;

18 (2) Moneys appropriated to the fund by the legislature;



1 (3) All interest attributable to investment of money
2 deposited in the fund; and

3 (4) Moneys allotted to the fund from other sources,
4 including under section 196-6.5.

5 (b) Subject to legislative appropriation, moneys from the
6 fund may be expended by the department of business, economic
7 development, and tourism for the following purposes and used for
8 no other purposes, except for those set forth in this section:

9 (1) To support the Hawaii clean energy initiative program,
10 including its energy division, including funding staff
11 positions within the division, and projects that
12 ensure dependable, efficient, and economical energy,
13 promote energy self-sufficiency, and provide greater
14 energy security for the State;

15 (2) To fund the renewable energy facilitator pursuant to
16 section 201-12.5 and any other positions necessary for
17 the purposes of paragraph (1) as determined by the
18 legislature; and

19 (3) To fund, to the extent possible, the greenhouse gas
20 emissions reduction task force, climate change task
21 force, grants-in-aid to the economic development
22 boards of each county, and grants-in-aid to economic



1 development agencies of each county to meet the stated
2 objectives of the Hawaii clean energy initiative
3 program.

4 (c) There is established, within the energy security
5 special fund, the clean energy special account. The department
6 may accept any federal and other funds that can be used for the
7 purposes of the special account, including but not limited to
8 charitable gifts, grants, contributions, and loans from
9 individuals, corporations and philanthropic foundations.

10 (1) Proceeds from the clean energy special account shall
11 be expended solely pursuant to legislative
12 appropriation; provided that the proceeds shall be
13 reserved to finance qualified clean economy projects
14 that:

15 (A) Employ commercially viable technologies;

16 (B) Are capable of being carried out in a
17 commercially viable manner within the State or
18 counties;

19 (C) Focus on financing qualified renewable energy,
20 renewable energy transmission, energy efficiency,
21 distributed generation, and oil-saving projects
22 and technologies, zero- or low-carbon



1 transportation, clean energy manufacturing,
2 municipal water efficiency, municipal waste
3 efficiency, job training for energy efficiency
4 projects, and for other related purposes; and

5 (D) Demonstrate fiscal management by remaining
6 current on interest and debt payment obligations.

7 (2) The employees or contractors employed to support the
8 clean energy special account shall have the
9 appropriate knowledge and experience to consider the
10 merits and various technologies used in clean economy
11 projects.

12 (3) The director; all employees, contractors, and
13 attorneys retained or employed by the State; and
14 appointees of the department shall not divulge or
15 furnish any information in their possession or
16 obtained by them in the course of their official
17 duties to persons outside the department, except as
18 permitted by chapter 92F. The information prohibited
19 by this paragraph shall include without limitation
20 information that is:

21 (A) Privileged or exempt from disclosure under any
22 federal or state law;



- 1 (B) Related to the business, personal, or financial
2 affairs of any person that is furnished to or for
3 the use of the department in confidence; or
- 4 (C) Related to trade secrets and commercial or
5 financial information obtained from a person that
6 is privileged or confidential;
- 7 provided that information identified in subparagraphs
8 (A), (B), and (C) shall be confidential and shall not
9 be subject to subpoena or other legal process.
- 10 (4) The director may furnish reports of the clean economy
11 project entities or companies to:
- 12 (A) The governor, attorney general, and the heads of
13 other state governmental agencies having
14 regulatory authority over the clean economy
15 project entities or companies or clean economy
16 project funding;
- 17 (B) The appropriate federal regulatory agencies of
18 the United States Department of Energy; and
- 19 (C) Other agencies of the United States or a state
20 for use where necessary to investigate civil or
21 criminal charges in connection with the affairs
22 of any clean economy project entity or company.



1 Upon the request of the clean economy project entity or company,
2 and pursuant to a proper showing of cause, the director may
3 furnish the reports, or portions thereof, and other information
4 relating to that clean economy project in instances other than
5 those set forth in paragraph (3) or to persons not enumerated in
6 this paragraph, including to prospective acquirers of the clean
7 economy project entity or company. The decision to grant a
8 request under this subsection shall be in the sole discretion of
9 the director.

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

- 17 (1) The spending plan of the energy security special fund;
18 (2) All expenditures of the energy security special fund
19 moneys; and
20 (3) The targeted markets of the expenditures, including
21 the reason for selecting those markets; the persons to



1 be served; and the specific objectives of the
2 expenditures, including measurable outcomes."

3 SECTION 3. The director of finance shall submit a report
4 to the legislature no later than twenty days prior to the
5 convening of the regular session of 2013 that shall include an
6 update on various financing options that support a clean energy
7 initiative and a comparison of existing bond vehicles with other
8 financing mechanisms.

9 SECTION 4. The director of business, economic development,
10 and tourism shall include as part of the energy resource
11 coordinator's annual report to the legislature, beginning with
12 the report prior to the regular session of 2013 and continuing
13 with every subsequent report thereafter, no later than twenty
14 days prior to the convening of each regular session, information
15 on any loans to date including the scope of work summary
16 relating to qualified clean economy projects, a comparison of
17 the actual energy usage and costs before and after energy
18 efficiency measures are implemented (converted to fiscal year
19 dollars for comparability), the balance of the clean energy
20 special account as of date of the report, a summary of any
21 projects funded by legislative appropriation from the special
22 account, and a list of recommendations on qualified clean



1 economy projects to be funded by legislative appropriation from
2 the special account.

3 SECTION 5. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 6. This Act shall take effect on July 1, 2050;
6 provided that no funds shall be appropriated for a qualified
7 clean economy project in accordance with section 2 before
8 July 1, 2013.



Report Title:

Public Finance; Clean Energy Special Account; Department of Budget and Finance; Department of Business, Economic Development, and Tourism

Description:

Establishes the clean energy special account within the energy security special fund. Requires proceeds from the special account to be expended pursuant to legislative appropriation to finance qualified clean economy projects that meet certain criteria. Protects any proprietary information that may be received by the department of business, economic development, and tourism from a clean economy project entity or company. Requires the director of finance to submit a report to the legislature. Requires the director of business, economic development, and tourism to include certain information relating to qualified clean energy projects as part of the energy resource coordinator's annual report to the legislature. Effective 07/01/2050. (SD2)

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