

Honolulu, Hawaii
March 22, 2013RE: S.B. No. 1087
S.D. 2
H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 1087, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO GREEN INFRASTRUCTURE,"

begs leave to report as follows:

The purpose of this measure is to promote the purchase and installation of green infrastructure equipment among electric utility customers through a loan program financed by the issuance of revenue bonds. Specifically, this measure, among other things:

- (1) Establishes the Hawaii Green Infrastructure Loan Program;
- (2) Establishes the Hawaii Green Infrastructure Authority within the Department of Business, Economic Development, and Tourism;
- (3) Establishes green infrastructure property for which a green infrastructure fee will be imposed upon electric utility customers to pay for bonds and financing costs;
- (4) Establishes the Hawaii Green Infrastructure Bond Fund;
- (5) Establishes the Hawaii Green Infrastructure Special Fund;



- (6) Authorizes the Department of Business, Economic Development, and Tourism to issue up to \$200,000,000 in revenue bonds to establish and administer the Hawaii Green Infrastructure Loan Program;
- (7) Appropriates \$100,000,000 for fiscal year 2013-2014 and \$100,000,000 for fiscal year 2014-2015 out of the Hawaii Green Infrastructure Special Fund; and
- (8) Appropriates \$10,000,000 for fiscal year 2013-2014 and \$20,000,000 for fiscal year 2014-2015 out of the Hawaii Green Infrastructure Bond fund.

The Office of the Governor; Division of Consumer Advocacy of Department of Commerce and Consumer Affairs; Public Utilities Commission; Department of Business, Economic Development, and Tourism; Department of Budget and Finance; Ulupono Initiative; Environmental Defense Fund, Land Use Research Foundation of Hawaii; Hawaii Carpenters Union; The Pacific Resource Partnership; Sierra Club, Hawai'i Chapter; Blue Planet Foundation; and a concerned individual supported this measure. The Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company supported the intent of this bill. The State Procurement Office opposed.

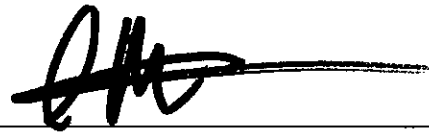
Your Committee notes that concerns have been raised that the measure allows the Public Utilities Commission to create a Green Infrastructure Fee. However, your Committee notes that this measure includes rate-controlling provisions to protect ratepayers. Such provisions would allow the Public Utilities Commission to utilize a portion of the funds already being collected under the existing Public Benefits Fee to offset amounts collected under the Green Infrastructure Fee. Your Committee respectfully requests that the Committee on Finance further examine this issue.

Your Committee has amended this measure by making technical, nonsubstantive amendments, including the relocation of existing provisions, for the purposes of clarity, consistency, and style.



As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1087, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1087, S.D. 2, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ANGUS L.K. MCKELVEY, Chair



