

JAN 28 2015

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# A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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

1           SECTION 1. The legislature finds that while the  
2 agriculture industry was once the State's main economic force  
3 during Hawaii's plantation era, the strength of the industry has  
4 dwindled and suffered, in part, due to rising overhead  
5 production costs and increased energy prices. However, the  
6 agriculture industry remains a vital part of the economy and  
7 incentives are necessary to promote sustainability and food  
8 security.

9           The legislature further finds that Act 209, Session Laws of  
10 Hawaii 2008, established a program to help full-time farmers,  
11 ranchers, and aquaculturalists reduce their dependence on fossil  
12 fuel by providing low cost loans to fund construction for  
13 renewable energy production through photovoltaic, hydroelectric,  
14 wind, methane, biodiesel, and ethanol. Today, Hawaii farmers  
15 and ranchers still face a need for alternative energy  
16 infrastructure to reduce their dependence on expensive and  
17 burdensome costs associated with fuel and electricity.



1           The newly created green energy market securitization  
2 program, established by Act 211, Session Laws of Hawaii 2013,  
3 may also provide a benefit to the struggling agricultural  
4 industry. The sustainable green infrastructure financing  
5 initiative headed by the Hawaii state energy office provides  
6 loans for photovoltaic systems at affordable rates to a wide  
7 market of underserved consumers. The Hawaii green  
8 infrastructure authority administers the program to allow those  
9 who once could not afford initial alternative infrastructure  
10 costs the ability to take advantage of a private capital and  
11 investment program supporting clean energy systems. A bond  
12 issuance was approved by the public utilities commission last  
13 year for \$150,000,000 to fund consumer loans to pay for system  
14 installations.

15           The legislature also finds that the green energy market  
16 securitization program was created to assist the underserved,  
17 and this this goal can be highlighted with a concentrated effort  
18 to address green energy initiatives in the State's agricultural  
19 industry.

20           The purpose of this Act is to authorize the Hawaii green  
21 infrastructure authority to set aside bond funding from the



1 green energy market securitization program to enable Hawaii's  
2 farmers and ranchers to invest in alternative energy  
3 infrastructure.

4 SECTION 2. Section 196-64, Hawaii Revised Statutes, is  
5 amended by amending subsection (a) to read as follows:

6 "(a) In the performance of, and with respect to the  
7 functions, powers, and duties vested in the authority by this  
8 part, the authority, as directed by the director and in  
9 accordance with a green infrastructure loan program order or  
10 orders under section 269-171 or an annual plan submitted by the  
11 authority pursuant to this section, as approved by the public  
12 utilities commission, may:

- 13 (1) Make loans and expend funds to finance the purchase or  
14 installation of green infrastructure equipment for  
15 clean energy technology, demand response technology,  
16 and energy use reduction and demand side management  
17 infrastructure, programs, and services;
- 18 (2) Hold and invest moneys in the green infrastructure  
19 special fund in investments as permitted by law and in  
20 accordance with approved investment guidelines



1 established in one or more orders issued by the public  
2 utilities commission pursuant to section 269-171;

3 (3) Encumber up to \$ of funds in the Hawaii  
4 green infrastructure special fund, established  
5 pursuant to section 196-65, to be used exclusively for  
6 the issuance of bonds to qualified agricultural  
7 enterprises;

8 ~~[-(3)]~~ (4) Hire employees necessary to perform its duties,  
9 including an executive director. The executive  
10 director shall be appointed by the authority, and the  
11 employees' positions, including the executive  
12 director's position, shall be exempt from chapter 76;

13 ~~[-(4)]~~ (5) Enter into contracts for the service of  
14 consultants for rendering professional and technical  
15 assistance and advice, and any other contracts that  
16 are necessary and proper for the implementation of the  
17 loan program;

18 ~~[-(5)]~~ (6) Enter into contracts for the administration of  
19 the loan program, without the necessity of complying  
20 with chapter 103D;



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1       ~~[(6)]~~ (7) Establish loan program guidelines to be approved  
2                   in one or more orders issued by the public utilities  
3                   commission pursuant to section 269-171 to carry out  
4                   the purposes of this part;

5       ~~[(7)]~~ (8) Be audited at least annually by a firm of  
6                   independent certified public accountants selected by  
7                   the authority, and provide the results of this audit  
8                   to the department and the public utilities commission;  
9                   and

10       ~~[(8)]~~ (9) Perform all functions necessary to effectuate the  
11                   purposes of this part."

12       SECTION 3. Statutory material to be repealed is bracketed  
13 and stricken. New statutory material is underscored.

14       SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY: *Paul E. Pelt*



# S.B. NO. 1198

**Report Title:**

Hawaii Green Infrastructure Authority; Hawaii Green Infrastructure Fund; Bonds; Agricultural Enterprises

**Description:**

Authorizes the Hawaii green infrastructure authority to reserve a portion of the Hawaii green infrastructure fund to be used exclusively for the issuance of bonds to qualified agricultural enterprises.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

