

Honolulu, Hawaii

February 12, 2015

RE: H.B. No. 1509  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 1509 entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

begs leave to report as follows:

The purpose of this measure is to improve the energy climate in Hawaii and save money for the general public by:

- (1) Requiring the University of Hawaii to establish a long-term goal of reducing energy consumption and energy bills to zero (net-zero goal);
- (2) Establishing the University of Hawaii Net-zero Special Fund (Special Fund), which must be used for capital improvement projects that advance the University of Hawaii's net-zero goal and may be used in conjunction with the Green Energy Market Securitization program of the State Energy Office or certain comparably lower-priced financing mechanisms;
- (3) Requiring that for each capital improvement project funded through the Special Fund, the University of Hawaii must annually deposit into the Special Fund the current value of the energy saved by the project during the preceding fiscal year, as measured against the current value of the energy consumed during the fiscal year prior to the execution of the project, excluding



debt service; provided, among other things, that 50 percent of all moneys deposited into the Special Fund must be used annually to provide scholarships to students with the greatest demonstrated financial need;

- (4) Requiring the University of Hawaii to submit an annual report to the Legislature by November 30 of each year regarding the Special Fund;
- (5) Appropriating \$45,500,000 out of the general fund for specified retrofit projects at the University of Hawaii at Manoa and University of Hawaii at Hilo; and
- (6) Appropriating \$150,000 to fund two positions within the University of Hawaii system to provide financial, technical, and other support to advance the University's net-zero goal.

Prior to the public hearing, a Proposed H.D. 1, which was substantially similar to the original bill, was circulated for public review and comment.

The University of Hawaii; Department of Business, Economic Development, and Tourism; Blue Planet Foundation; University of Hawaii Professional Assembly; Sustainable UH; and numerous concerned individuals supported this measure. The Department of Budget and Finance submitted comments.

Your Committee has amended the Proposed H.D. 1 by, among other things:

- (1) Requiring that the Special Fund must be used in conjunction with the Green Energy Market Securitization program of the State Energy Office or certain comparably lower-priced financing mechanisms;
- (2) Removing student scholarships as a use of the Special Fund;
- (3) Modifying the manner in which the value of the energy saved or offset by a capital improvement project is measured;
- (4) Modifying some of the required information in the University of Hawaii's annual report to the Legislature regarding the Special Fund;



- (5) Deleting the amounts of all appropriations in the measure;
- (6) Changing the means of financing for the retrofit projects at the University of Hawaii at Manoa and University of Hawaii at Hilo from general revenues to general obligation bonds; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1509, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1509, H.D. 1, and be referred to the Committee on Higher Education.

Respectfully submitted on  
behalf of the members of the  
Committee on Energy &  
Environmental Protection,



CHRIS LEE, Chair



State of Hawaii  
House of Representatives  
The Twenty-eighth Legislature

**HSCR 188**

**Record of Votes of the Committee on Energy & Environmental Protection**

Bill/Resolution No.: <b>HB 1509</b>	Committee Referral: <b>EEP, HED, FIN</b>	Date: <b>2/10/2015</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EEP Members	Ayes	Ayes (WR)	Nays	Excused
1. LEE, Chris (C)	✓			
2. LOWEN, Nicole E. (VC)	✓			
3. CULLEN, Ty J.K.	✓			
4. EVANS, Cindy	✓			
5. ING, Kaniela	✓			
6. NISHIMOTO, Scott Y.	✓			
7. SAY, Calvin K.Y.	✓			
8. YAMANE, Ryan I.	✓			
9. POUHA, Feki	✓			
10. THIELEN, Cynthia	✓			
<b>TOTAL (10)</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align:center; font-size:small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u><i>Nicole E. Lowen</i></u>				
Distribution: Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				