

Honolulu, Hawaii

February 20, 2015

RE: H.B. No. 1509  
H.D. 2

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

Sir:

Your Committee on Higher Education, to which was referred  
H.B. No. 1509, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

begs leave to report as follows:

The purpose of this measure is to lower energy consumption in  
Hawaii by, among other things:

- (1) Directing the University of Hawaii to establish a collective goal of becoming net-zero with respect to energy use by January 1, 2035;
- (2) Establishing the University of Hawaii Net-zero Special Fund for:
  - (A) Renewable energy and efficiency capital improvement projects; and
  - (B) Deferred maintenance capital improvement projects with a renewable energy or efficiency component,that advance the University's net-zero energy goal;
- (3) For each capital improvement project funded through the University of Hawaii Net-zero Special Fund, requiring the University to deposit into the Special Fund the current value of the energy saved or offset by the



project during the preceding fiscal year, excluding debt service costs;

- (4) Authorizing the issuance of general obligation bonds for capital improvement projects to be funded through the University of Hawaii Net-zero Special Fund;
- (5) Appropriating funds for the retrofit of two buildings each at the University of Hawaii at Manoa and University of Hawaii at Hilo; and
- (6) Appropriating funds for two positions within the University of Hawaii system to provide necessary financial, technical, and other support to advance the University's net-zero energy goal.

The University of Hawaii, Democratic Party of Hawaii, and several concerned individuals supported this measure. The Department of Business, Economic Development, and Tourism supported the measure with amendments. The Department of Budget and Finance submitted comments.

Your Committee has amended the measure by, among other things:

- (1) Modifying a source of financing for capital improvement projects from the Green Energy Market Securitization Program of the State Energy Office of the Department of Business, Economic Development, and Tourism to a Green Infrastructure Loan Program order pursuant to section 269-171, Hawaii Revised Statutes;
- (2) Changing the source of financing for the retrofits of the buildings at the University of Hawaii at Manoa and University of Hawaii at Hilo from the Green Energy Market Securitization Program of the State Energy Office of the Department of Business, Economic Development, and Tourism to a Green Infrastructure Loan Program order pursuant to section 269-171, Hawaii Revised Statutes, or a comparably-priced energy-savings financing product; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.



As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1509, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1509, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Higher Education,

*Isaac W. Chooy* for  
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ISAAC W. CHOY, Chair



