July 11, 2017

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Twenty-Ninth State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Twenty-Ninth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on July 11, 2017, the following bill was signed into law:

HB794 HD1 SD2 CD1 RELATING TO ENERGY AT THE UNIVERSITY OF HAWAII
ACT 186 (17)

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i
A BILL FOR AN ACT

RELATING TO ENERGY AT THE UNIVERSITY OF HAWAI'I.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAI'I:

SECTION 1. Act 99, Session Laws of Hawaii 2015, established a long-term goal for the University of Hawaii to reduce energy consumption and energy bills to net-zero, and encouraged "the use of innovative means of energy-savings financing to reduce taxpayer costs for . . . energy efficiency projects."

Green revolving funds are an innovative and proven mechanism for universities and other large institutions to reduce operating costs and environmental impact while promoting education and engaging stakeholders. A green revolving fund is an internal fund that provides a direct source of capital to implement energy efficiency, renewable energy, and other sustainability projects that generate cost savings. These savings are tracked and used to replenish the fund for the next round of green investments, thus establishing a sustainable funding cycle while reducing operating costs and environmental impact.
The legislature finds that the University of Hawaii needs a mechanism to track savings realized from energy efficiency and renewable energy projects and reinvest them into additional cost-saving measures that reduce energy consumption to support this long term goal.

The purpose of this Act is to address a statewide concern by:

(1) Creating a green special fund to collect and expend revenues that will harness savings realized from energy efficiency investments and other sources of revenue to reinvest into further measures to reduce energy consumption and operating costs towards achieving the University of Hawaii's net-zero energy goal; and

(2) Requiring the University of Hawaii to submit an annual report to the legislature on the money in the green special fund.

SECTION 2. Chapter 304A, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:
§304A- University of Hawaii green special fund. (a)

There is established the University of Hawaii green special fund, into which may be deposited:

1. Savings realized by the university from energy conservation measures;
2. Investment earnings, gifts, donations, or other income received by the University of Hawaii;
3. Any rebates, grants, or incentives associated with energy conservation measures;
4. Capital appropriations for energy conservation measures;
5. Until June 30, 2020, funds from any special or revolving fund established to fund energy conservation measures projects at the University of Hawaii; and
6. Proceeds from University of Hawaii revenue bonds.

(b) Moneys in the University of Hawaii green special fund shall be used to support energy efficiency, renewable energy, and sustainability projects and services including personnel, equipment costs, project costs, and other expenses, as well as planning, design, and implementation of sustainability projects for the benefit of the university; provided that any expenditure
equal to or greater than $167,000 shall require the approval of
the legislature.

(c) The chief financial officer of the University of
Hawaii shall manage the University of Hawaii green special fund
and shall have the authority to garner monetary savings realized
from campus energy conservation measures projects.

(d) The University of Hawaii may also transfer other funds
into the University of Hawaii green special fund to offset the
costs and expenses associated with sustainability initiatives at
the University of Hawaii.

(e) The University of Hawaii shall submit a report to the
legislature on the moneys deposited into the University of
Hawaii green special fund, including:

(1) An explanation of how savings were calculated;

(2) A review of all the revenues deposited;

(3) A review of the rebates, grants, or incentives
    received; and

(4) A review of any other funds that may have been
    transferred.

no later than twenty days prior to the convening of each regular
session.
SECTION 3. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2017.

APPROVED this 11 day of JUL, 2017

David Ige
GOVERNOR OF THE STATE OF HAWAII
THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAI'I

Date: May 2, 2017
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Twenty-Ninth Legislature of the State of Hawaii, Regular Session of 2017.

Joseph M. Souki
Speaker
House of Representatives

Brian L. Takeshita
Chief Clerk
House of Representatives
THE SENATE OF THE STATE OF HAWAII

Date: May 2, 2017
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Twenty-ninth Legislature of the State of Hawaii, Regular Session of 2017.

[Signature]
President of the Senate

[Signature]
Clerk of the Senate