



**DEPARTMENT OF BUSINESS,  
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Statement of  
**LUIS P. SALAVERIA**  
Director

Department of Business, Economic Development, and Tourism  
before the

**SENATE COMMITTEE ON TRANSPORTATION & ENERGY**

Wednesday, March 21, 2018

1:15 PM

State Capitol, Conference Room 325

in consideration of  
**HB1508, HD2, PROPOSED SD1**  
**RELATING TO ENERGY EFFICIENCY.**

Chair Inouye, Vice Chair Espero, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) supports HB1508, HD2, Proposed SD1, with the objective of creating a sub-fund under the umbrella of the Green Energy Market Securitization (GEMS) Loan Fund and converting an unspecified amount of the GEMS fund into a revolving line of credit providing any state agency or department access to low-cost financing to install energy efficiency measures on an on-going basis.

This bill will provide all state agencies the opportunity to deploy cost-effective energy efficiency that both decreases utility bill expenses for the state and assists with meeting the state's energy efficiency goals.

Thank you for the opportunity to offer support for HB1508, HD2, Proposed SD1.



DAVID Y. IGE  
GOVERNOR

GWEN S. YAMAMOTO LAU  
EXECUTIVE DIRECTOR

## HAWAII GREEN INFRASTRUCTURE AUTHORITY

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**Testimony of Gwen Yamamoto Lau, Executive Director  
Hawaii Green Infrastructure Authority**  
before the  
**SENATE COMMITTEE ON TRANSPORTATION AND ENERGY**  
Wednesday, March 21, 2018 at 1:15 P.M.  
State Capitol, Conference Room 225

in consideration of  
**HOUSE BILL NO. 1508, HD2, SD1, Proposed  
RELATING TO ENERGY EFFICIENCY**

Chair Inouye, Vice Chair Espero and Members of the Transportation and Energy Committee:

Thank you for the opportunity to testify and provide comments on House Bill 1508, HD2, SD1, Proposed, relating to energy efficiency. This bill proposes to create a sub-fund under the umbrella of the Green Energy Market Securitization (“GEMS”) loan fund and convert \$ into a revolving line of credit available for any state agency or department to obtain low-cost financing to install energy efficiency measures. As the Legislature’s intent of the GEMS fund was to be available for the underserved (i.e. low and moderate-income homeowners, renters and nonprofits) and as the Hawaii Public Utilities Commission’s Order no. 32318 requires that at least 51% of the GEMS funds benefit said underserved, if approved, the Department of Education’s existing \$46.4 million loan should be included under the \$50.0 million revolving line. The Hawaii Green Infrastructure Authority **strongly supports** this bill.

Using the expected benefits of the GEMS loan provided to the Department of Education (“DOE”) as a benchmark, the long-term impact of this financing mechanism is meaningful and measurable. Additionally, while, according to the *State of Hawaii Energy Efficiency Potential Study: Project 1448*, the DOE was the second largest consumer of electricity in the State, there are a number of other state agencies and departments that would benefit from a similar financing arrangement.

Reducing energy consumption and energy costs in state buildings would significantly and positively contribute to the achievement of Hawaii’s energy efficiency portfolio standard (“EEPS”) goals, while reducing and controlling costs for Hawaii’s taxpayers.

Thank you for this opportunity to testify and offer support and comments for HB1508, HD2, SD1, Proposed.



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SENATE COMMITTEE ON TRANSPORTATION & ENERGY  
Wednesday, March 21, 2018 — 1:15 p.m. — Room 225

**Ulupono Initiative Supports HB 1508 HD 2, Relating to Energy Efficiency**

Dear Chair Inouye, Vice Chair Espero, and Members of the Committee:

My name is Murray Clay and I am Managing Partner of the Ulupono Initiative, a Hawai'i-based impact investment firm that strives to improve the quality of life for the people of Hawai'i by working toward solutions that create more locally produced food; increase affordable, clean, renewable energy; and better management of waste and fresh water. Ulupono believes that self-sufficiency is essential to our future prosperity and will help shape a future where economic progress and mission-focused impact can work hand in hand.

**Ulupono supports HB 1508 HD 2**, which creates a revolving line of credit sub-fund for state government agencies under the green energy market securitization (GEMS) loan fund, because it aligns with our goal of increasing the production of clean, renewable energy in Hawai'i.

Ulupono believes this bill will help deploy GEMS funds faster as now state departments will be able to qualify for financing its internal energy efficiency projects. This could further provide additional flexibility for GEMS, one of the key issues that the GEMS program has encountered in its brief existence.

Ulupono is also supportive of this bill and will remain so as long as the GEMS funds are deployed as originally intended – with a payback structure – to help continuously replenish the fund and adhere to standard business practices.

As Hawai'i's energy issues become more complex and challenging, we appreciate this committee's efforts to look at policies that support renewable energy production.

Thank you for this opportunity to testify.

Respectfully,

Murray Clay

*Investing in a Sustainable Hawai'i*

Managing Partner

**HB-1508-HD-2**

Submitted on: 3/20/2018 12:18:21 PM

Testimony for TRE on 3/21/2018 1:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i	Support	No

Comments:

To the Honorable Lorraine R. Inouye, Chair; the Honorable Will Espero, Vice-Chair, and Members of the Senate Committee on Transportation and Energy:

Good afternoon, my name is Melodie Aduja. I serve as Chair of the Oahu County Committee ("OCC") on Legislative Priorities of the Democratic Party of Hawai'i. Thank you for the opportunity to provide written testimony on **HB1508 HD2 (Proposed SD1)**, relating to Green Energy Market Securitization; Energy Efficiency; and an appropriation.

The OCC Legislative Priorities Committee is in favor of **HB1508 HD2 (Proposed SD1)** and support its passage.

**HB1508 HD2 (Proposed SD1)** is in accord with the Platform of the Democratic Party of Hawai'i ("DPH") as it creates a revolving line of credit sub-fund of an unspecified amount under the umbrella of the Hawaii green infrastructure special fund for any state agency or department to finance cost-effective energy-efficiency measures, effective 7/1/2050.

Specifically, the Platform of the Democratic Party of Hawai'i states, "We support energy independence, self-sufficiency, affordability and reliability for Hawai'i through the development of renewable alternative energy sources. Specifically, we need to support policies that foster the development of energy production methods that de-emphasize carbon based fuels and promote renewable sources such as wind, solar, wave, geothermal and Ocean Thermal Energy Conversion (OTEC).

Electricity rates in Hawaii are among the highest in the nation despite the fact that we enjoy an abundance of sunshine year round. Electric utility companies and cooperatives must open the grid to alternative power sources including solar panels and geothermal energy. We support the effort of our government officials to require utilities to provide for the maximum, comprehensive, integrated use of renewable energy and associated technologies such as storage and smart grid technologies." (Platform of the DPH, P. 9, Lines 456-462 (2016)).

Given that **HB1508 HD2 (Proposed SD1)** creates a revolving line of credit sub-fund of an unspecified amount under the umbrella of the Hawaii green infrastructure

special fund for any state agency or department to finance cost-effective energy-efficiency measures, effective 7/1/2050, it is the position of the OCC Legislative Priorities Committee to support this measure.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ Melodie Aduja Melodie Aduja, Chair, OCC Legislative Priorities  
Committee

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**HB-1508-HD-2**

Submitted on: 3/19/2018 6:45:07 PM

Testimony for TRE on 3/21/2018 1:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Javier Mendez-Alvarez	Individual	Support	No

Comments: