



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of
LUIS P. SALAVERIA
Director

Department of Business, Economic Development, and Tourism
before the

SENATE COMMITTEE ON WAYS AND MEANS

Wednesday, April 4, 2018

10:30 AM

State Capitol, Conference Room 211

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

Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) supports HB1508, HD2, 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, 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 WAYS AND MEANS

Wednesday, April 4, 2018 at 10:30 A.M.

State Capitol, Conference Room 211

in consideration of

HOUSE BILL NO. 1508, HD2, SD1 RELATING TO ENERGY EFFICIENCY

Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Ways and Means Committee:

Thank you for the opportunity to testify and provide comments on House Bill 1508, HD2, SD1 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 \$ million 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 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 HB 1508, HD2, SD1.



Email: communications@ulupono.com

SENATE COMMITTEE ON WAYS & MEANS
Wednesday, April 4, 2018 — 10:30 a.m. — Room 211

Ulupono Initiative Supports HB 1508 HD 2 SD 1, Relating to Energy Efficiency

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, 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 SD 1, 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



To: The Senate Committee on Ways and Means
From: Sherry Pollack, 350Hawaii.org
Date: Wednesday, April 4, 2018

In strong support of HB 1508 HD2 SD1

Dear Chair Dela Cruz, Vice Chair Keith-Agaran and Committee members--

I am the Vice President of the Hawaii chapter of 350.org, the largest international organization dedicated to fighting climate change. 350Hawaii.org strongly supports HB 1508 HD2 SD1.

Anywhere GEMS monies can be used to save energy, they should be. Ideally, funds should be appropriated to all our public schools for energy efficiency and solar energy systems, but if it currently must be done via GEMS, so be it.

As the department of education is the second largest consumer of electricity of all state agencies, making public schools more energy efficient will go far toward our goal of reducing greenhouse gases.

Please support HB 1508 HD2 SD1.

Thank you for the opportunity to testify.

Sherry Pollack
Vice President, 350Hawaii.org



ORGANIZING *for* ACTION

To: The Senate Committee on Ways and Means
From: Brodie Lockard, OFA Hawaii, 262-1285
Date: Wednesday, April 4, 2018

In strong support of HB 1508 HD2 SD1

Dear Chair Dela Cruz, Vice Chair Keith-Agaran and Committee members--

I am the Hawaii Climate Lead for Organizing for Action, a progressive group that played a lead in electing President Barack Obama twice. OFA Hawaii strongly supports HB 1508 HD2 SD1.

Anywhere GEMS monies can be used to save energy, they should be. Ideally, funds should be appropriated to all our public schools for energy efficiency and solar energy systems, but if it currently must be done via GEMS, so be it.

As the department of education is the second largest consumer of electricity of all state agencies, making public schools more energy efficient will go far toward our goal of reducing greenhouse gases.

Please support HB 1508 HD2 SD1.

Thank you for the opportunity to testify.

Brodie Lockard
Hawaii Climate Lead, Organizing for Action

HB-1508-SD-1

Submitted on: 4/3/2018 6:05:50 AM

Testimony for WAM on 4/4/2018 10:30:00 AM

| 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 Donovan M. Dela Cruz, Chair; the Honorable Gilbert S.C. Keith-Agaran, Vice-Chair and Members of the Committee on Ways and Means:

Good morning, 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 SD1**, relating to Green Energy Market Securitization; Energy Efficiency; and an appropriation.

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

HB1508 HD2 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 deemphasize 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 **HB1508 HD2 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

Email: legislativepriorities@gmail.com, Text/Tel.: (808) 258-8889

HB-1508-SD-1

Submitted on: 4/2/2018 12:55:21 AM

Testimony for WAM on 4/4/2018 10:30:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Sarah Toole | Individual | Support | No |

Comments:

My name is Sarah Toole, my address is 1128 Ala Napunani St. 96818, and I am a political science student at UH Manoa.

I support this bill.