



GOV. MSG. NO. 842

EXECUTIVE CHAMBERS  
HONOLULU

LINDA LINGLE  
GOVERNOR

July 15, 2009

The Honorable Colleen Hanabusa, President  
and Members of the Senate  
Twenty-Fifth State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

I am transmitting herewith HB1271 HD3 SD2 CD1, without my approval, and with the statement of objections relating to the measure.

HB1271 HD3 SD2 CD1

A BILL FOR AN ACT  
RELATING TO GOVERNMENT.

Sincerely,



LINDA LINGLE

EXECUTIVE CHAMBERS

HONOLULU

July 15, 2009

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 1271

Honorable Members  
Twenty-Fifth Legislature  
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 1271, entitled "A Bill for an Act Relating to Government."

The purpose of House Bill No. 1271 is to provide a source of funding to support government programs, personnel, task forces, and grants-in-aid intended to promote energy and food security in the State. The funding will be generated by instituting a \$1.00 increase in the tax imposed on each barrel or fractional part of a barrel of oil sold by a distributor to any retail dealer or end user in the State.

This bill is objectionable because it raises taxes on Hawaii residents and businesses by an estimated \$31 million per year at a time when the community can least afford these taxes. Just like the many struggling families and business owners across our state, we must prioritize expenditures in a budget and then learn to live within our means.

What is particularly important to recognize is that higher energy prices discriminate against poor families more than any other group in our society. Energy costs comprise a higher percentage of family expenses for those at the lower income levels. Their ability to curtail their energy usage is marginal. What is particularly disturbing is these taxes on the poor would most benefit businesses and wealthier individuals who can afford to purchase a photovoltaic system or invest in a solar panel company. This taxing policy runs counter to a progressive tax structure.

As I have said before, we cannot tax our way out of the fiscal crisis we are in. We must make tough choices and direct the funds we have to the areas that need it most. I agree that energy and food security are important and have prioritized funding for these programs and personnel through the Executive Biennium Budget. The Legislature, however, chose to prioritize other programs and is now asking the taxpayer to bear the burden through higher gas prices, utility bills, shipping costs, airline fares, and numerous impacts that will ripple through our entire economic system.

I believe the bill's supporters have the best interest of the State in mind. During my Administration, energy and food security have been top priorities and I have been pleased to work with the Legislature, federal officials, academia, and members of the private sector on these important issues.

In 2006, the Legislature passed and I signed groundbreaking legislation known as Energy for Tomorrow that laid the foundation to wean Hawaii off imported oil. In 2008, my Administration signed a historic, one-of-a-kind agreement with the U. S. Department of Energy intended to decrease energy demand and accelerate the use of renewable energy resources in Hawaii. This year, I joined the Legislature in supporting legislation drafted by members of the Hawaii Clean Energy Initiative that will help us meet our goal of 70 percent clean energy by 2030. I am proud to share these accomplishments with the Legislature and others who are committed to strengthening our economy and making Hawaii a cleaner, greener, place to live.

I believe we can continue to make significant progress in this arena without this tax and the bureaucracies it will fund. We must, however, be willing to make the tough choices and work together to prioritize the public programs that have the potential to do the most good for our state.

STATEMENT OF OBJECTIONS  
HOUSE BILL NO. 1271  
Page 3

For the foregoing reasons, I am returning House Bill  
No. 1271 without my approval.

Respectfully,

  
LINDA LINGLE  
Governor of Hawaii

---

---

# A BILL FOR AN ACT

RELATING TO GOVERNMENT.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

PART I

SECTION 1. The purpose of this Act is to:

- (1) Promote economic development for local food and energy businesses by establishing necessary funding, guidance, and infrastructure;
- (2) Ensure Hawaii is energy and food self-sufficient and sustainable to the maximum extent feasible; and
- (3) Plan for and implement measures to help Hawaii's natural resources and humankind adapt and be resilient to the inevitable challenges brought on by climate change caused by carbon dioxide and other greenhouse gas emissions from burning fossil fuels.

Hawaii is at a crossroads. As the most geographically isolated state in the country, we are dangerously dependent on imports for basic food and energy needs. We import about eighty-five per cent of our food and ninety-five per cent of our energy. It has been estimated that Hawaii exported \$8,600,000,000 for food and oil in 2008, and every dollar



1 exported is a lost opportunity to support and invest in local  
2 business. Our dependence on imports also exposes residents and  
3 businesses to volatile food and energy costs as oil prices  
4 fluctuate.

5 In addition, the mass consumption of fossil fuels, driven  
6 by our dependence on food and energy imports, contributes to  
7 climate change and the deterioration of the environment, and  
8 anticipated conditions such as more severe storm events, overall  
9 less rainfall, warmer temperatures that may favor invasive  
10 species, sea level rise, and ocean acidification that hampers  
11 coral growth. These climate changes will likely impose major  
12 but not fully understood costs and other impacts on Hawaii's  
13 people and the natural capital we depend upon to support our  
14 lives in the middle of the Pacific. Nowhere is it more obvious  
15 than in remote islands like Hawaii that our lives and economy  
16 are intertwined with the health and function of the natural  
17 world around us.

18 Although Hawaii is home to renewable energy resources like  
19 solar, wind, ocean, and geothermal, we as a community have not  
20 taken advantage of alternative energy and energy efficiency  
21 solutions to make our State more energy independent. As an



1 example, despite year-round sunshine, only thirty per cent of  
2 Hawaii's residents have solar water heaters.

3       Similarly, many acres of highly productive agricultural  
4 lands are not being farmed. Currently, Hawaii has a fresh  
5 supply of produce for no more than ten days. Ninety per cent of  
6 the beef, sixty-seven per cent of fresh vegetables, sixty-five  
7 per cent of fresh fruits, and seventy per cent of milk consumed  
8 in this state are imported. While Hawaii may never produce one  
9 hundred per cent of its food, the risks and costs to society by  
10 this dependence on imported food cannot be ignored.

11       Like energy, producing local food would reduce Hawaii's  
12 demand for fossil fuels, keep money in our community, and  
13 decrease the vulnerability to food supply disruptions caused by  
14 natural disasters or worldwide economic events.

15       Now is the time for bold action to squarely address  
16 Hawaii's energy and food requirements and plan for and address  
17 the inevitable effects of climate change. It will require  
18 long-term commitment, dedication, and investment by government,  
19 the private sector, and Hawaii's people to dramatically shift  
20 our present course of importing food and energy toward a more  
21 energy independent and agriculturally sustainable society. As a  
22 State and as a people, we must decide whether we will continue



1 to be dependent on external sources for our basic needs, or  
2 whether we will build, invest in, and develop the capacity to  
3 become food and energy independent.

4 The legislature finds that it is in the best interests of  
5 Hawaii's people to build the capacity we need to become energy  
6 and food self-sufficient, and protect the health and function of  
7 our environment. As discussed in the Hawaii 2050 Sustainability  
8 Plan and Hawaii Clean Energy Initiative, Hawaii has all the  
9 necessary assets to significantly improve sustainability and  
10 independence over the next twenty years if appropriate personnel  
11 resources and sustainable funding are used wisely. To succeed,  
12 the State must ensure that our long-term strategy is well-  
13 resourced, coordinated, and focused.

14 This Act creates a Hawaii economic development task force  
15 to accelerate and support public and private efforts to make  
16 Hawaii energy and food self-sufficient, consistent with the  
17 Hawaii 2050 Sustainability Plan, the Hawaii Clean Energy  
18 Initiative, and other government and community planning efforts.  
19 The Hawaii economic development task force shall recommend  
20 priorities for government agencies within the executive branch  
21 and the legislature in determining how funds may be allocated,  
22 reviewing an existing or developing an overall road map to



1 implement and achieve the purpose of this Act, and identifying  
2 the economic development, workforce, and consumer education  
3 issues relating to the production of food and energy.

4 The legislature intends that the Hawaii economic  
5 development task force take an interdisciplinary approach to  
6 seek the most efficient and effective pathways for interagency  
7 coordination. The Hawaii economic development task force shall  
8 work collaboratively with all levels of government and the  
9 private and nonprofit sectors to address water, land,  
10 regulatory, and natural resource issues intertwined with food  
11 and fuel production. Such an approach ensures that energy and  
12 food policy development is integrated within the overall  
13 economic, social, environmental, and cultural aspects of  
14 society. With an understanding of these overlapping goals and  
15 resources, our State can maximize the opportunities to ensure  
16 food and energy security for generations to come.

17 The Act also establishes a clean energy initiative to  
18 manage the State's transition to a clean energy economy, an  
19 agricultural development and food security special fund to fund  
20 activities intended to increase agricultural production or  
21 processing that may lead to reduced importation of food, fodder,  
22 or feed from outside the state, and establishes a renewable



1 energy branch in the department of business, economic  
2 development, and tourism, to coordinate and promote renewable  
3 energy initiatives.

4 The legislature finds that undertaking this important task  
5 of energy and food security requires substantial financial  
6 resources. An investment and long-term commitment by the State  
7 must be made. To that end, this Act also increases the per-  
8 barrel tax on petroleum products under the environmental  
9 response, energy, and food security tax, formerly known as the  
10 environmental response tax, and appropriates funds from that tax  
11 for the energy and food security initiatives established by this  
12 Act.

13 PART II

14 ENVIRONMENTAL RESPONSE, ENERGY, AND FOOD SECURITY TAX

15 SECTION 2. Section 128D-2, Hawaii Revised Statutes, is  
16 amended to read as follows:

17 "§128D-2 Environmental response revolving fund; uses. (a)

18 There is created within the state treasury an environmental  
19 response revolving fund, which shall consist of moneys  
20 appropriated to the fund by the legislature, moneys paid to the  
21 fund as a result of departmental compliance proceedings, moneys  
22 paid to the fund pursuant to court-ordered awards or judgments,



1 moneys paid to the fund in court-approved or out-of-court  
2 settlements, all interest attributable to investment of money  
3 deposited in the fund, moneys [~~generated by~~] deposited in the  
4 fund from the environmental response, energy, and food security  
5 tax [established in] pursuant to section 243-3.5, and moneys  
6 allotted to the fund from other sources [~~; provided that when the~~  
7 ~~total balance of the fund exceeds \$20,000,000, the department of~~  
8 ~~health shall notify the department of taxation of this fact in~~  
9 ~~writing within ten days. The department of taxation then shall~~  
10 ~~notify all distributors liable for collecting the tax imposed by~~  
11 ~~section 243 3.5 of this fact in writing, and the imposition of~~  
12 ~~the tax shall be discontinued beginning the first day of the~~  
13 ~~second month following the month in which notice is given to the~~  
14 ~~department of taxation. If the total balance of the fund~~  
15 ~~thereafter declines to less than \$3,000,000, the department of~~  
16 ~~health shall notify the department of taxation which then shall~~  
17 ~~notify all distributors liable for collecting the tax imposed by~~  
18 ~~section 243 3.5 of this fact in writing, and the imposition of~~  
19 ~~the tax shall be reinstated beginning the first day of the~~  
20 ~~second month following the month in which notice is given to the~~  
21 ~~department of taxation].~~



1 (b) Moneys from the fund shall be expended by the  
2 department for response actions and preparedness, including  
3 removal and remedial actions, consistent with this chapter;  
4 provided that the revenues generated by the [~~"environmental~~  
5 ~~response tax" and~~] environmental response, energy, and food  
6 security tax deposited into the environmental response revolving  
7 fund:

8 (1) Shall [~~also~~] be used:

9 (A) For oil spill planning, prevention, preparedness,  
10 education, research, training, removal, and  
11 remediation; and

12 (B) For direct support for county used oil recycling  
13 programs;

14 and

15 [~~(C) For deposit into the energy security special~~  
16 ~~fund, established under section 201-12.8, as may~~  
17 ~~be appropriated by the legislature; and]~~

18 (2) May also be used to support environmental protection  
19 and natural resource protection programs, including  
20 [~~but not limited to~~] energy conservation and  
21 alternative energy development, and to address  
22 concerns related to air quality, global warming, clean



1 water, polluted runoff, solid and hazardous waste,  
2 drinking water, and underground storage tanks,  
3 including support for the underground storage tank  
4 program of the department and funding for the  
5 acquisition by the State of a soil remediation site  
6 and facility."

7 SECTION 3. Section 201-12.8, Hawaii Revised Statutes, is  
8 amended to read as follows:

9 "[+] §201-12.8 [+] Energy security special fund; uses. (a)

10 There is created within the state treasury an energy security  
11 special fund, which shall consist of:

12 (1) The portion of the environmental response, energy, and  
13 food security tax specified under section 243-3.5;

14 [~~(1)~~] (2) Moneys appropriated to the fund by the  
15 legislature;

16 [~~(2)~~] (3) All interest attributable to investment of money  
17 deposited in the fund; and

18 [~~(3)~~] (4) Moneys allotted to the fund from other sources.

19 (b) [~~Moneys~~] Subject to legislative appropriation, moneys  
20 from the fund [~~shall~~] may be expended by the department of  
21 business, economic development, and tourism for the following



1 purposes and ~~[shall be]~~ used for no other purposes except for  
2 those set forth in this section:

3 (1) To support ~~[its]~~ the Hawaii clean energy initiative  
4 program, including its energy division and projects  
5 that ensure dependable, efficient, and economical  
6 energy, promote energy self-sufficiency, and provide  
7 greater energy security for the State; [and]

8 (2) To fund the renewable energy facilitator pursuant to  
9 section 201-12.5 and any other positions necessary for  
10 the purposes of paragraph (1) as determined by the  
11 legislature ~~[-]~~; and

12 (3) To fund, to the extent possible, the greenhouse gas  
13 emissions reduction task force, climate change task  
14 force, grants-in-aid to the economic development  
15 boards of each county, and grants-in-aid to economic  
16 development agencies of each county to meet the stated  
17 objectives of the Hawaii clean energy initiative  
18 program.

19 (c) The department of business, economic development, and  
20 tourism shall submit a report to the legislature no later than  
21 twenty days prior to the convening of each regular session, on  
22 the status and progress of existing programs and activities, and



1 the status of new programs and activities funded by the energy  
2 security special fund. The report shall also include the  
3 spending plan of the energy security special fund, all  
4 expenditures of energy security special fund moneys, the  
5 targeted markets including why those markets were selected and  
6 who will be served and why, the specific objectives of the  
7 expenditures, and measurable outcomes."

8 SECTION 4. Section 243-3.5, Hawaii Revised Statutes, is  
9 amended as follows:

10 1. By amending its title and subsection (a) to read:

11 "§243-3.5 Environmental response, energy, and food  
12 security tax; uses. (a) In addition to any other taxes  
13 provided by law, subject to the exemptions set forth in section  
14 243-7, there is hereby imposed [~~at times provided in section~~  
15 ~~128D-2~~] a state environmental response, energy, and food  
16 security tax of [5-cents] \$1.05 (one dollar and five cents) on  
17 each barrel or fractional part of a barrel of petroleum product  
18 sold by a distributor to any retail dealer or end user, other  
19 than a refiner, of petroleum product; provided that:

20 (1) 5 cents of the tax on each barrel shall be [used  
21 pursuant to section 128D-2 to address concerns  
22 relating to drinking water.] deposited into the



- 1           environmental response revolving fund established  
2           under section 128D-2;  
3           (2) 55 cents of the tax on each barrel shall be deposited  
4           into the energy security special fund established  
5           under section 201-12.8;  
6           (3) 10 cents of the tax on each barrel shall be deposited  
7           into the energy systems development special fund  
8           established under section 304A-2169; and  
9           (4) 35 cents of the tax on each barrel shall be deposited  
10           into the agricultural development and food security  
11           special fund established under section 141- .

12 The tax imposed by this subsection shall be paid by the  
13 distributor of the petroleum product."

14           2. By amending subsection (c) to read:

15           "(c) Notwithstanding section 248-8 to the contrary, the  
16 environmental response, energy, and food security tax collected  
17 under this section shall be paid over to the director of finance  
18 for deposit [~~into the environmental response revolving fund~~  
19 ~~established by section 128D-2.~~] as provided in subsection (a)."

20           SECTION 5. Section 304A-2169, Hawaii Revised Statutes, is  
21 amended by amending subsection (b) to read as follows:

22           "(b) The special fund shall be funded by:



- 1 (1) Appropriations from the legislature; [~~and~~]
- 2 (2) The portion of the environmental response, energy, and
- 3 food security tax specified under section 243-3.5; and
- 4 [~~+~~] (3) Investment earnings, gifts, donations, or other
- 5 income received by the [~~+~~]Hawaii natural energy[~~+~~]
- 6 institute."

## PART III

## HAWAII ECONOMIC DEVELOPMENT TASK FORCE

9 SECTION 6. (a) There is established the Hawaii economic

10 development task force within the department of business,

11 economic development, and tourism for administrative purposes.

12 The purpose of the Hawaii economic development task force shall

13 be to facilitate the accelerated adoption and completion of

14 renewable energy projects, energy efficiency programs,

15 agricultural infrastructure and development, and other measures

16 to meet the purposes of this Act. The Hawaii economic

17 development task force shall develop and maintain a broad

18 overview of energy and food security issues that apply an

19 interdisciplinary approach to ensure that Hawaii's energy and

20 food policy and program development is integrated within the

21 overall economic, social, environmental, and cultural aspects of

22 society. The Hawaii economic development task force shall, with



1 the assistance of the department of business, economic  
2 development, and tourism:

- 3 (1) Identify and review each state and county agency's  
4 policy objectives, mandates, organizational structure,  
5 and resources to address energy and food security  
6 issues;
- 7 (2) Identify all federal and private funds available to  
8 the State and counties to address energy and food  
9 security issues;
- 10 (3) Identify effective measures for interagency  
11 cooperation, coordinate efforts with the counties, and  
12 bolster public and private sector partnerships to  
13 achieve the objective of energy and food security;
- 14 (4) Identify existing programs and agreements addressing  
15 energy and food security that may be enhanced through  
16 legislation;
- 17 (5) Investigate alternative institutional mechanisms to  
18 promote the efficient execution and implementation of  
19 a multi-year strategy to achieve energy and food  
20 security;



- 1 (6) Investigate the streamlining of administrative  
2 processes to accelerate and achieve energy and food  
3 security;
- 4 (7) Provide an appropriate forum for all affected or  
5 interested parties to address energy and food security  
6 issues;
- 7 (8) Recommend appropriate legislation resulting from its  
8 findings to improve, accelerate, and achieve the  
9 objective of energy and food security;
- 10 (9) Review whether:
- 11 (A) The apportionment of the environmental response,  
12 energy, and food security tax among the funds  
13 listed under section 243-3.5, Hawaii Revised  
14 Statutes, is appropriate;
- 15 (B) The apportionment should be changed; and
- 16 (C) Any additional special, trust, or revolving fund  
17 should receive a share of the tax;
- 18 and
- 19 (10) Perform any other function necessary to effectuate the  
20 purposes of this part.
- 21 (b) The Hawaii economic development task force shall  
22 consist of the following members:



- 1 (1) The director of business, economic development, and  
2 tourism or the director's designee, who shall chair  
3 the Hawaii economic development task force;
- 4 (2) The chairperson of the board of agriculture or the  
5 chairperson's designee;
- 6 (3) The director of the office of planning or the  
7 director's designee;
- 8 (4) The chairperson of the board of land and natural  
9 resources or the chairperson's designee;
- 10 (5) The dean of the University of Hawaii college of  
11 tropical agriculture and human resources or the dean's  
12 designee;
- 13 (6) The speaker of the house of representatives or the  
14 speaker's designee;
- 15 (7) The president of the senate or the president's  
16 designee; and
- 17 (8) A representative from each private county economic  
18 development board.
- 19 (c) The Hawaii economic development task force's members  
20 shall serve without compensation but shall be reimbursed for  
21 expenses, including travel expenses, necessary for the  
22 performance of their duties.



1 (d) In the performance of its duties, the Hawaii economic  
2 development task force shall consult with appropriate private,  
3 nonprofit, community, and government stakeholders.

4 (e) The department of business, economic development, and  
5 tourism may contract with the University of Hawaii for any  
6 services to support the work of the Hawaii economic development  
7 task force.

8 (f) The Hawaii economic development task force shall  
9 submit a report of its findings and recommendations, including  
10 any proposed legislation, to the legislature no later than  
11 twenty days prior to the convening of the regular session of  
12 2010.

13 The task force also shall submit a follow-up report to the  
14 legislature no later than twenty days prior to the convening of  
15 the regular session of 2011. The report shall include a  
16 description of the activities funded by the environmental  
17 response, energy, and food security tax, progress made toward  
18 energy and food self-sufficiency, and additional action  
19 necessary to achieve energy and food self-sufficiency.

20 (g) The Hawaii economic development task force shall cease  
21 to exist on June 30, 2011.



1 SECTION 7. Notwithstanding section 201-12.8(b), there is  
2 appropriated out of the energy security special fund the sum of  
3 \$250,000 or so much thereof as may be necessary for fiscal year  
4 2009-2010 for the purpose of supporting the work of the Hawaii  
5 economic development task force. The appropriation shall be  
6 made from the portion of the environmental response, energy, and  
7 food security tax that is deposited into the energy security  
8 special fund.

9 The sums appropriated shall be expended by the department  
10 of business, economic development, and tourism for the purposes  
11 of this part.

12 PART IV

13 AGRICULTURAL DEVELOPMENT AND FOOD SECURITY

14 SECTION 8. Chapter 141, Hawaii Revised Statutes, is  
15 amended by adding a new section to be appropriately designated  
16 and to read as follows:

17 "§141- Agricultural development and food security  
18 special fund; establishment. (a) There is established within  
19 the state treasury the agricultural development and food  
20 security special fund.

21 (b) The following shall be deposited into the special  
22 fund:



- 1        (1) The portion of the environmental response, energy, and  
2        food security tax specified under section 243-3.5;
- 3        (2) Any appropriation by the legislature into the special  
4        fund;
- 5        (3) Any grant or donation made to the special fund; and  
6        (4) Any interest earned on the balance of the special  
7        fund.
- 8        (c) Subject to legislative appropriation, moneys in the  
9 special fund may be expended for the following purposes:
- 10       (1) The awarding of grants to farmers for agricultural  
11       production or processing activity;
- 12       (2) The acquisition of real property for agricultural  
13       production or processing activity;
- 14       (3) The improvement of real property, irrigation systems,  
15       and transportation networks necessary to promote  
16       agricultural production or processing activity;
- 17       (4) The purchase of equipment necessary for agricultural  
18       production or processing activity;
- 19       (5) The conduct of research on and testing of agricultural  
20       products and markets;
- 21       (6) The promotion and marketing of agricultural products  
22       grown or raised in the state; and



1       (7) Any other activity intended to increase agricultural  
2       production or processing that may lead to reduced  
3       importation of food, fodder, or feed from outside the  
4       state.

5       (d) The department of agriculture shall submit a report to  
6       the legislature no later than twenty days prior to the convening  
7       of each regular session, on the status and progress of existing  
8       programs and activities, and the status of new programs and  
9       activities funded under the agricultural development and food  
10       security special fund. The report shall also include the  
11       spending plan of the agricultural development and food security  
12       special fund, all expenditures of agricultural development and  
13       food security special fund moneys, the targeted markets  
14       including why those markets were selected and who will be served  
15       and why, the specific objectives of the expenditures, and  
16       measurable outcomes."

17       SECTION 9. There is appropriated out of the agricultural  
18       development and food security special fund the sum of  
19       \$10,500,000 or so much thereof as may be necessary for fiscal  
20       year 2009-2010 for the purpose of supporting the following  
21       projects:



- 1 (1) \$1,000,000 for Varroa mite control and eradication  
2 efforts;
- 3 (2) \$2,000,000 for the operation of pest inspection,  
4 quarantine, eradication, biosecurity, and monitoring  
5 programs, related facilities, and the execution of  
6 emergency remedial measures when pests are detected in  
7 the course of inspection and quarantine activities by  
8 the department of agriculture;
- 9 (3) \$1,200,000 for the expansion of the food safety and  
10 security program administered by the department of  
11 agriculture;
- 12 (4) \$2,600,000 for the livestock revitalization and food  
13 security program under chapter 155D;
- 14 (5) \$900,000 for improvements to the Lower Hamakua Ditch  
15 in Hawaii County;
- 16 (6) \$1,100,000 for the construction of an agricultural  
17 water main distribution pipeline in the Upcountry Maui  
18 Watershed;
- 19 (7) \$1,500,000 for the construction of the Kealahou  
20 pipeline in the Upcountry Maui Watershed; and
- 21 (8) \$200,000 for the planning phase of the state  
22 agricultural water use and development plan.





- 1        (3) Electric grid reliability and security projects that  
2        will enable the integration of a substantial increase  
3        of electricity from renewable energy resources;
- 4        (4) A statewide clean energy public education and outreach  
5        plan to be developed in coordination with Hawaii's  
6        public education institutions;
- 7        (5) Promotion of Hawaii's clean and renewable resources to  
8        potential partners and investors;
- 9        (6) A plan, for implementation during the years 2010 to  
10       2030, to transition the State to a clean energy  
11       economy; and
- 12       (7) A plan to assist each county for the implementation  
13       during the years 2010 to 2030, to transition each  
14       county to a clean energy economy.
- 15       (b) Prior to the initiation of any activities authorized  
16       under subsection (a), the department of business, economic  
17       development, and tourism shall develop a plan of action with the  
18       intent of promoting effective prioritization and focusing of  
19       efforts consistent with the State's energy programs and  
20       objectives.
- 21       The department of business, economic development, and  
22       tourism shall submit a report to the legislature no later than



1 twenty days prior to the convening of each regular session, on  
2 the status and progress of existing clean energy initiatives,  
3 and the status of new initiatives. The report shall also  
4 include the spending plan of the Hawaii clean energy initiative  
5 program, all expenditures of energy security special fund  
6 moneys, the targeted markets including why those markets were  
7 selected and who will be served and why, and the specific  
8 objectives of the program and program expenditures, and  
9 measurable outcomes."

10 SECTION 11. There is appropriated out of the energy  
11 security special fund the sum of \$393,518 or so much thereof as  
12 may be necessary for fiscal year 2009-2010 and the same sum or  
13 so much thereof as may be necessary for fiscal year 2010-2011 to  
14 provide seven positions for and otherwise support the Hawaii  
15 clean energy initiative of the department of business, economic  
16 development, and tourism.

17 The sums appropriated shall be expended by the department  
18 of business, economic development, and tourism for the purposes  
19 of this section.

20 PART VI

21 RENEWABLE ENERGY



1 SECTION 12. The purpose of this part is to support the  
2 renewable energy industry in Hawaii by:

- 3 (1) Establishing a renewable energy branch in the  
4 department of business, economic development, and  
5 tourism to coordinate and promote renewable energy  
6 initiatives;
- 7 (2) Strengthening laws supporting energy diversification,  
8 long-term provision of dependable energy services, and  
9 use of diverse energy technologies; and
- 10 (3) Providing adequate resources to support the renewable  
11 energy industry, and renewable energy planning and  
12 programs in the department of business, economic  
13 development, and tourism.

14 SECTION 13. Chapter 201, Hawaii Revised Statutes, is  
15 amended by adding a new section to be appropriately designated  
16 and to read as follows:

17 "§201- Renewable energy branch; establishment. (a)

18 There is established a renewable energy branch within the  
19 department.

20 (b) Branch functions shall include:

21 (1) Renewable energy resource assessments, technical  
22 analyses, and resource development functions,



- 1 including design, management, and completion of  
2 systematic analysis of existing and proposed energy  
3 resource programs;
- 4 (2) Evaluation of analyses conducted by government  
5 agencies and other organizations;
- 6 (3) Development and management of programs to encourage  
7 public and private exploration, research, and  
8 commercial development of renewable energy resources;
- 9 (4) Project facilitation functions, including the  
10 development and implementation of programs to  
11 facilitate the efficient permitting of renewable  
12 energy projects;
- 13 (5) Renewable energy partnership and outreach functions,  
14 including participation in renewable and sustainable  
15 energy evaluation and demonstration projects,  
16 outreach, and other activities to promote technically,  
17 economically, and environmentally feasible  
18 technologies and projects;
- 19 (6) Renewable energy resource, technology, and project  
20 viability consultant functions, including serving as a  
21 consultant to the governor, public agencies, and



1           private industry on matters related to the use of  
2           Hawaii's renewable energy resources; and  
3           (7) Research, reporting, implementation, and support of  
4           renewable and transportation energy related laws."

5           SECTION 14. Section 201-12.5, Hawaii Revised Statutes, is  
6 amended by amending subsection (a) to read as follows:

7           "(a) There is established within the department of  
8 business, economic development, and tourism the position of  
9 renewable energy facilitator, which shall be a full-time,  
10 [~~temporary~~] permanent position exempt from chapters 76 and 89.  
11 The renewable energy facilitator shall possess a requisite level  
12 of knowledge and expertise in the areas of renewable energy,  
13 state and county permitting processes, and management necessary  
14 to carry out the duties of the position."

15           SECTION 15. There is established within the department of  
16 business, economic development, and tourism, the position of  
17 energy program administrator. The position shall be a full-time  
18 position exempt from chapters 76, Hawaii Revised Statutes.

19           SECTION 16. There are established within the department of  
20 business, economic development, and tourism seven full-time  
21 temporary positions to support the planning and renewable energy  
22 provisions of chapters 196, 201, and 226, Hawaii Revised



1 Statutes. The positions shall be exempt from chapter 76, Hawaii  
2 Revised Statutes.

3 SECTION 17. Subject to the availability of federal funding  
4 for energy programs provided by grants, and subject to the  
5 constraints, oversight, and reporting requirements of those  
6 federal programs, the governor is hereby authorized to establish  
7 positions necessary to accomplish the management of those energy  
8 projects funded by federal grants; provided that the positions  
9 shall be exempt from chapter 76, Hawaii Revised Statutes; and  
10 provided further that the governor shall submit a report to the  
11 legislature on all positions established as of December 31 and  
12 June 30 of each fiscal year that the positions exist and are  
13 occupied.

14 SECTION 18. There is appropriated out of the energy  
15 security special fund the sum of \$119,280 or so much thereof as  
16 may be necessary for fiscal year 2009-2010 for the department of  
17 business, economic development, and tourism to fill the  
18 permanent, full-time equivalent (1.00 FTE) renewable energy  
19 facilitator position established in section 201-12.5, Hawaii  
20 Revised Statutes.



1           The sum appropriated shall be expended by the department of  
2 business, economic development, and tourism for the purposes of  
3 this part.

4           SECTION 19. There is appropriated out of the energy  
5 security special fund the sum of \$130,000 or so much thereof as  
6 may be necessary for fiscal year 2009-2010 for the department of  
7 business, economic development, and tourism to fill the  
8 permanent, full-time equivalent (1.00 FTE) energy program  
9 administrator position established in section 15.

10           The sum appropriated shall be expended by the department of  
11 business, economic development, and tourism for the purposes of  
12 this part.

13           SECTION 20. There is appropriated out of the energy  
14 security special fund established pursuant to section 201-12.8  
15 the sum of \$393,518 or so much thereof as may be necessary for  
16 fiscal year 2009-2010 and the same sum or so much thereof as may  
17 be necessary for fiscal year 2010-2011 for the seven full-time,  
18 temporary positions, established under section 16.

19           The sums appropriated shall be expended by the department  
20 of business, economic development, and tourism for the purposes  
21 of this part.



1 PART VII

2 GREENHOUSE GAS EMISSIONS REDUCTION TASK FORCE

3 SECTION 21. There is appropriated out of the energy  
4 security special fund, established pursuant to section 201-12.8,  
5 the sum of \$200,000 or so much thereof as may be necessary for  
6 fiscal year 2009-2010 for the greenhouse gas emissions reduction  
7 task force established pursuant to Act 234, Session Laws of  
8 Hawaii 2007.

9 The sum appropriated shall be expended by the department of  
10 business, economic development, and tourism for the purposes of  
11 this part.

12 PART VIII

13 SECTION 22. This Act does not affect rights and duties  
14 that matured, penalties that were incurred, and proceedings that  
15 were begun, before its effective date.

16 SECTION 23. Statutory material to be repealed is bracketed  
17 and stricken. New statutory material is underscored.

18 SECTION 24. This Act shall take effect on July 1, 2009.

