

Honolulu, Hawaii

FEB 14 2011

RE: S.B. No. 189
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Energy and Environment, to which was referred S.B. No. 189 entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

begs leave to report as follows:

The purpose and intent of this measure is to ensure that state agencies that enter into energy performance contracts continue to receive budget appropriations for energy expenditures in an amount that shall not fall below the pre-performance contract budget.

Your Committee received testimony in support of this measure from Richard C. Lim, Department of Business, Economic Development, and Tourism; Bruce A. Coppa, Department of Accounting and General Services; and Jay Johnson, Noresco. Your Committee received comments on this measure from Kalbert K. Young, Department of Budget and Finance.

Your Committee finds that allowing state agencies to keep their pre-performance contract budget appropriations will create an additional incentive to the agencies to continuing energy conservation in their facilities, thereby reducing the State's overall energy consumption.

As a related matter, your Committee received testimony indicating ambiguity in existing law regarding the duration of energy performance contracts. Your Committee finds that requiring contract terms to begin upon completion of the construction or

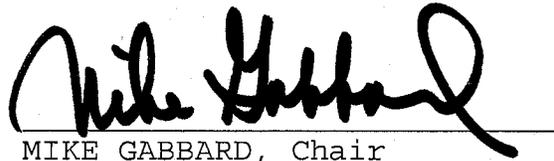


installation of energy conservation features, rather than upon execution of the contract, would allow state agencies to obtain additional energy solutions over a longer period of time.

Accordingly, your Committee has amended this measure by clarifying that the term of an energy performance contract begins upon the completion of construction.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 189, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 189, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Energy and
Environment,



MIKE GABBARD, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Energy and Environment
ENE

Bill / Resolution No.:* SB 189	Committee Referral: ENE, WAM	Date: 1 Feb 2011		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	/			
ENGLISH, J. Kalani (VC)	/			
GREEN, M.D., Josh	/			
IHARA, Jr., Les				/
SLOM, Sam	/			
TOTAL	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes