THE SENATE TWENTY-SEVENTH LEGISLATURE, 2014 STATE OF HAWAII

S.B. NO. ²¹⁹⁶ S.D. 2 H.D. 1

C.D. 1

A BILL FOR AN ACT

RELATING TO ENERGY.

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

1	SECT	ION 1. The purpose of this Act is to:
2	(1)	Re-establish the energy systems development special
3		fund, which was repealed on June 30, 2013, to be
4		funded in part by revenues collected from the
5		environmental response, energy, and food security tax;
6		and
7	(2)	Extend the allocation of revenues collected from the
8		environmental response, energy, and food security tax
9		to various special funds from June 30, 2015, to
10		June 30, 2030.
11	SECTION 2. Chapter 304A, Hawaii Revised Statutes, is	
12	amended by adding three new sections to be appropriately	
13	designate	d and to read as follows:
14	" <u>§</u> 30	4A-A Energy systems development special fund. (a)
15	There is	established the energy systems development special fund
16	for the p	urpose of developing an integrated approach to and
17	portfolic	management of renewable energy and energy efficiency
18	technolog	y projects that will reduce Hawaii's dependence on
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1	<u>fossil fu</u>	el, imported oil, and other imported energy resources
2	and move	Hawaii toward energy self-sufficiency.
3	(b)	Deposits into the special fund may be from the
4	following	<u>:</u>
5	(1)	Appropriations from the legislature;
6	(2)	A portion of the environmental response, energy, and
7		food security tax pursuant to section 243-3.5; and
8	(3)	Investment earnings, gifts, donations, or other income
9		received by the Hawaii natural energy institute.
10	(C)	The Hawaii natural energy institute shall administer
11	the speci	al fund and may expend revenues of the special fund for
12	the follo	wing activities:
13	(1)	Obtaining matching funds from federal and private
14		sources for research, development, and demonstration
15		of renewable energy sources;
16	(2)	Awarding contracts or grants to develop and deploy
17		technologies that will reduce Hawaii's dependence on
18		imported energy resources and imported oil. Projects
19		may be commissioned that:
20		(A) Balance the risk, benefits, and time horizons of
21		the investment to ensure tangible benefits to the



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. 1		Hawaii consumer, with priority given to short-
2		term technology development;
3	<u>(B)</u>	Emphasize innovative and renewable energy supply
4		and energy efficient end use technologies
5		focusing on environmental attributes,
6		reliability, and affordability;
7	<u>(C)</u>	Enhance transmission and distribution
8		capabilities of renewable energy supply for
9		electricity;
10	<u>(D)</u>	Enhance reliability and storage capabilities of
11		renewable energy for electricity;
12	<u>(E)</u>	Ensure that research, deployment, and
13		demonstration efforts build on existing programs
14		and resources and are not duplicated;
15	<u>(F)</u>	Address critical technical and scientific
16		barriers to achieving energy self-sufficiency by
17		reducing dependence on imported oil and imported
18		energy resources;
19	<u>(</u> G)	Ensure that technology used and developed for
20	4 	renewable energy production and distribution will
21		be commercially viable; and



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Give priority to resources that are indigenous (H) and unique to Hawaii; and (3) Managing the portfolio of projects commissioned under this subsection. **§304A-B Periodic evaluation.** (a) Evaluations shall be conducted of the projects and activities funded by the energy systems development special fund. Using objective criteria, the evaluation shall assess the degree to which the projects and activities comport with and achieve the stated objectives of the energy systems development special fund pursuant to section 304A-A. The initial evaluation shall be conducted beginning (b) July 1, 2017, and every three years thereafter by a two-person panel of independent energy and environmental technical experts who shall be appointed by the director of business, economic development, and tourism and who shall not be affiliated with the Hawaii natural energy institute. The panel shall submit a

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18 report of the findings and recommendations of each evaluation to 19 the legislature no later than twenty days prior to the convening 20 of the following regular session. The Hawaii natural energy 21 institute shall cooperate with and provide support to the

22 evaluation panel.

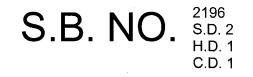
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1	§304A-C Plan of action. Prior to the initiation of any		
2	projects or activities authorized by section 304A-A, the Hawaii		
3	natural energy institute shall develop a plan of action in		
4	coordination with the state energy resources coordinator with		
5	the intent of promoting effective prioritization and focusing of		
6	efforts consistent with the State's energy programs."		
7	SECTION 3. Act 73, Session Laws of Hawaii 2010, is amended		
8	as follows:		
9	1. By amending section 10 to read:		
10	"SECTION 10. Any unexpended or unencumbered funds		
11	remaining in the agricultural development and food security		
12	special fund established by this Act, as of the close of		
13	business on June 30, $[\frac{2015}{7}]$ 2030, shall lapse to the credit of		
14	the general fund."		
15	2. By amending section 14 to read:		
16	"SECTION 14. This Act shall take effect on July 1, 2010;		
17	provided that sections 2, 3, 4, and 7 of this Act shall be		
18	repealed on June 30, $[\frac{2015}{7}]$ 2030, and sections 128D-2,		
19	201-12.8, and 243-3.5, Hawaii Revised Statutes, shall be		
20	reenacted in the form in which they read on June 30, 2010."		
21	SECTION 4. In codifying the new sections added to chapter		
22	304A, Hawaii Revised Statutes, by section 2 of this Act, the		
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revisor of statutes shall substitute appropriate section numbers
for the letters used in designating and referring to the new
sections in this Act.
SECTION 5. Statutory material to be repealed is bracketed
and stricken. New statutory material is underscored.
SECTION 6. This Act shall take effect on July 1, 2014.



Report Title:

Energy; Energy Systems Development Special Fund

Description:

Re-establishes the energy systems development special fund, which was repealed. Extends the repeal of various allocations of the environmental response, energy, and food security tax from 2015 to 2030. (CD1)

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