



**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

Tuesday, April 7, 2015
1:35 p.m.
State Capitol, Conference Room 211

in consideration of
HB 1509, HD3, SD1
RELATING TO ENERGY.

Chair Tokuda, Vice Chair Kochi, and Members of the Committee.

The Department of Business, Economic Development & Tourism (DBEDT) offers testimony in support of HB 1509, HD3, SD1, which establishes a University of Hawaii (UH) collective goal of becoming Net-Zero with respect to energy use by 2035, and establishes a Special Fund for the purpose. It further appropriates from the Special Fund monies for capital improvement projects.

DBEDT supports this legislation as it is consistent with the State's overall clean energy objectives. The Department is also supportive of partially financing the upgrades toward the achievement of UH's Net Zero objectives through matching funds, such as from the Green Infrastructure Loan Program (GEMS Program), where appropriate, and within GEMS Program parameters. The GEMS Program has a responsibility to utilize GEMS Program funds prudently and efficiently in order to create a self-sufficient financing program. The GEMS Program must reserve the right to both be flexible in the allocation of funds and use discretion when evaluating distribution of the funds, in order to quickly distribute money that supports economically viable projects while ensuring portfolio diversification and offsetting risk. Therefore, DBEDT appreciates the language in the measure that allows the GEMS Program to continue to take a market-based approach to approving financing for projects.

DBEDT encourages UH to discuss business plans for energy upgrades with the staff of the Hawaii Green Infrastructure Authority and the Hawaii State Energy Office in order to determine the most appropriate and economical use of GEMS funds. DBEDT defers to the University of Hawaii on the implementation of this measure.

Thank you for the opportunity to offer this testimony in support of HB 1509, HD3, SD1.

TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
HOUSE BILL NO. 1509, H.D. 3, S.D. 1

April 7, 2015

RELATING TO ENERGY

House Bill No. 1509, H.D. 3, S.D. 1, requires the University of Hawaii (UH) to establish a goal of becoming net-zero regarding energy use by January 1, 2035. It is the intent of the bill to maximize tax payer savings by reducing energy use at UH. The bill creates the UH Net-Zero Special Fund that would generate revenues through energy consumption savings and other sources. The special fund would be used for net-zero related capital improvements program projects and in conjunction with approved financing mechanisms. The bill appropriates unspecified sums of general funds for FY 16 and FY 17 for deposit into the special fund and an unspecified sum of special funds for FY 16 for energy retrofit projects at UH Manoa. The bill authorizes the issuance of general obligation bonds from the Director of Finance for net-zero related projects, and provides an unspecified appropriation for this purpose for FY 16.

While the Department of Budget and Finance understands the importance of becoming energy efficient, as a matter of general policy, the department does not support the creation of special funds which do not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus

between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. In regards to this bill, it is difficult to determine whether the proposed special fund will be self-sustaining.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Ways and Means
Tuesday, April 7, 2015 at 1:35 p.m.

By

Robert Bley-Vroman, Chancellor
and

Stephen Meder

Interim Assistant Vice Chancellor for Planning and Facilities
University of Hawai'i at Mānoa

HB 1509 HD3 SD1 – RELATING TO ENERGY

Chair Tokuda, Vice Chair Kouchi, and Members of the Committee:

The University of Hawai'i stands in strong support of HB 1509 HD3 (the House bill that came over to the Senate) because it seeks to establish a special fund to support both net-zero energy efficiency projects and deferred maintenance projects throughout the University system, and because HB 1509 HD3 provides needed general fund capital to partly address some of the deferred maintenance projects on our campuses.

The University understands that changes have been made to the House version of the bill and remain supportive of the purpose and concept of HB 1509 HD3 SD1.

From a technical standpoint, we will need to ensure that the creation of a special fund will meet the self-sustaining criteria as defined in Hawai'i Revised Statutes, Section 37-52.3(4). We are confident that the energy fund concept is viable when addressing stand-alone energy projects. The University has not yet been able to establish that this financial approach ensures that the fund will be self-sustaining over time.

In closing, the University supports the purpose and concept of HB 1509 HD3 SD1. We look forward to working out the details of the financing model and any related project figures with the committee.



Tuesday, April 7, 2015

Relating to House Bill 1509, House Draft 3, Senate Draft 1
Testifying in Support

Aloha, Chair Tokuda, Vice Chair Kouchi, and Members of the Senate Committee on Ways and Means,

The Democratic Party of Hawaii supports HB1509 HD3 SD1, Relating to Energy, Requires the University of Hawaii to establish the collective goal of becoming net-zero with respect to energy use by January 1, 2035, establishes the University of Hawaii Net-Zero Special Fund, makes appropriations, and authorizes general obligation bonds to the University of Hawaii.

The University of Hawaii has long been burdened with high energy costs and delays in essential maintenance. This bill provides appropriations from the General Fund to alleviate some of the maintenance demands while also promoting Hawaii renewable energy goals.

Establishing a sustainable fund to satisfy maintenance demands and renewable energy retrofits will benefit the university and the state for years to come. This model, if successful, may be looked to as a template for maintenance and retrofitting of public facilities across the islands.

Sustainability for Hawaii is a strongly held view of the Democratic Party of Hawaii – agriculture, environmental resources, and energy production and consumption being among the most critical. HB1509 HD3 SD1 creates a model for the state to achieve its energy sustainability goals.

Thank you for this opportunity to testify,
The Legislation Committee of the Democratic Party of Hawaii

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: mz9995@hotmail.com
Subject: Submitted testimony for HB1509 on Apr 7, 2015 13:35PM
Date: Friday, April 03, 2015 3:54:47 PM

HB1509

Submitted on: 4/3/2015

Testimony for WAM on Apr 7, 2015 13:35PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Zehner	Individual	Oppose	No

Comments: Not worth going into debt for. Is buying more solar panels from China really the answer?

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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HB1509

Submitted on: 4/3/2015

Testimony for WAM on Apr 7, 2015 13:35PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Chris Anton	Individual	Oppose	No

Comments:

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HB1509

Submitted on: 4/2/2015

Testimony for WAM on Apr 7, 2015 13:35PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Denise Antolini	Individual	Support	No

Comments: Please support HB1509. This bill is a much-needed innovative approach to encouraging UH -- of the State's largest energy consumers -- to renovate and invest in energy efficiency measures and green buildings. The bill's approach to reinvestment of cost savings will ultimately lower students' tuition, campus energy bills, and put UH in the lead on these critical issues. Mahalo!

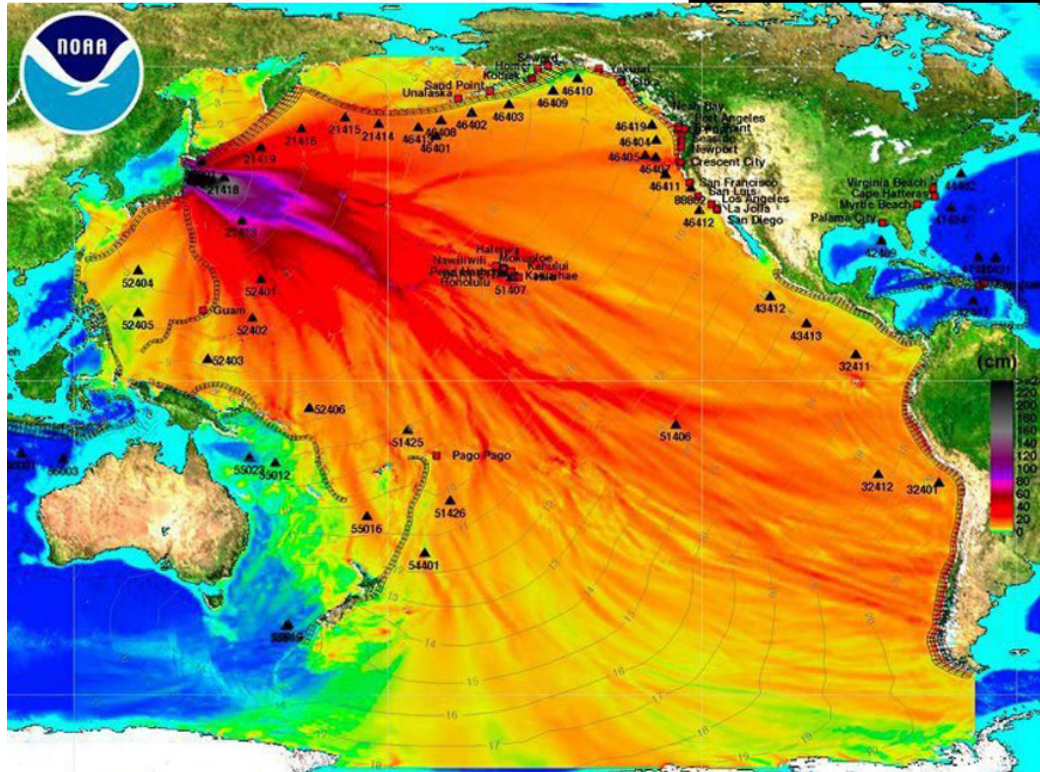
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HB1509 SUPPORT

There is no crisis facing the USA in which we need to GIVE IRAN NUCLEAR POWER. Civilian or Military, there is no safe nuclear power...Fukushima is still leaking. There are NO NEW NUCLEAR POWER PLANTS IN USA because of the LIABILITY INSURANCE COSTS.

The only safe nuclear power is from the SUN. GO SOLAR. IF IRAN WANTS NUCLEAR POWER THEN SELL THEM PHOTOVOLTAIC PANELS--forget profits for GE and other Nuclear Power Plant salesmen.



THERE IS NO SAFE NUCLEAR POWER.