

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: www.hawaii.gov/dbedt

Telephone: (808) 586-2355
Fax: (808) 586-2377

Statement of
LUIS P. SALAVERIA
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON WAYS AND MEANS

Tuesday, March 29, 2016
9:30a.m.
State Capitol, Conference Room 211

in consideration of
HB 2416
RELATING TO RENEWABLE ENERGY.

Chair Tokuda, Vice Chair Dela Cruz, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) **supports** HB 2416, which repeals Chapter 201N, Hawaii Revised Statutes, relating to the Renewable Energy Facility Siting Process (REFSP), and deposits proceeds in the Renewable Energy Facility Siting Special Fund into the General Fund, with the exception of Sections 201N-13 and 201N-14 as noted herein.

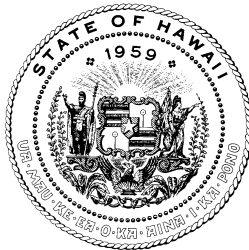
DBEDT agrees with the State Auditor's Report No. 14-13 that no renewable energy project has completed the REFSP, notwithstanding DBEDT's efforts to implement the REFSP since its establishment in 2008; including the Renewable Energy Facility Siting Process Action Plan for DBEDT's implementation of the REFSP¹ commissioned in 2014. DBEDT has determined that the REFSP is no longer relevant to supporting Hawaii's clean energy goals for numerous reasons outlined out in the Action Plan.

¹ This plan is referenced in DBEDT's Periodic Report to the Legislature on Renewable Energy Facilitation Activities and the REFSP (December 2014); see *Final Report* (http://energy.hawaii.gov/wp-content/uploads/2011/10/Act-208-201N-Facilitator-Report_11-20-14_FINAL.pdf) and *Appendix* (http://energy.hawaii.gov/wp-content/uploads/2011/10/201N-Final-Action-Plan_Appendix.pdf).

DBEDT also agrees that the Renewable Energy Facility Siting Special Fund has maintained a balance of \$0 in Fiscal Years 2009 through 2014, and is expected to have an unencumbered cash balance of \$0 throughout Fiscal Year 2015-2016. For these reasons, DBEDT agrees it would be appropriate to repeal this Special Fund.

While DBEDT has determined that the REFSP is no longer relevant to supporting Hawaii's clean energy goals, we have received anecdotal information that the subdivision exemption process under Sections 201N-13 and 201N-14 could offer value to some of Hawaii's renewable energy developers. Hence, DBEDT would not oppose the preservation of these sections.

Thank you for the opportunity to offer these comments on HB 2416.



**TESTIMONY OF JAN K. YAMANE, ACTING STATE AUDITOR,
ON HOUSE BILL NO. 2416,
RELATING TO NON-GENERAL FUNDS**

Senate Committee on Ways and Means

March 29, 2016

Chair Tokuda and Members of the Committee:

Thank you for the opportunity to testify in partial support of this bill. HB 2416 would repeal Chapter 201N, including the Renewable Energy Facility Siting Special Fund. We support repeal of this fund.

Partial impetus for this bill is our [Report No. 14-13, *Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Departments of the Attorney General and Business, Economic Development and Tourism*](#). Our review includes an evaluation of the original intent and purpose of each fund, including the degree to which each fund continues to serve its intended purpose. We also evaluate whether each fund meets statutory criteria for its respective fund type (i.e., special, revolving, or trust). Moreover, for special and revolving funds, we conclude on the need for the fund based on the purpose and scope of the program it supports. This bill would implement our report recommendation for the Renewable Energy Facility Siting Special Fund. We recommended the fund be repealed; DBEDT concurred.

Thank you again for the opportunity to testify in partial support of HB 2416.