

Honolulu, Hawaii

JUN 24 2020

RE: H.B. No. 1844
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Energy, Economic Development, and Tourism,
to which was referred H.B. No. 1844, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CLEAN ENERGY FINANCING,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the clean energy and energy efficiency revolving loan fund;
- (2) Repeal the building energy efficiency revolving loan fund;
- (3) Allocate a portion of the barrel tax to the clean energy and energy efficiency revolving loan fund; and
- (4) Appropriate funds to provide loans or other financial assistance to eligible borrowers for clean energy investments or other authorized uses.

Your Committee received testimony in support of this measure from the Department of Transportation, Hawaii State Energy Office, Hawaii Green Infrastructure Authority, Office of Economic Development of the County of Kaua'i, Blue Plant Foundation, Elemental Excelerator, and one individual. Your Committee



received testimony in opposition to this measure from the Retail Merchants of Hawaii. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs and Tax Foundation of Hawaii.

Your Committee finds that due to the State's high energy costs, the ability of ratepayers to support broad areas of the clean energy technology market are extremely limited. Attracting and leveraging private capital with limited public funds in a sustainable manner is critical to support Hawaii's evolving energy market and provide affordable energy options for all ratepayers. This measure will assist in the expansion of Hawaii's renewable energy supply by providing a more flexible source of funding that does not rely on ratepayer funds for programs to finance a broader range of clean energy technology.

Your Committee has amended this measure by:

- (1) Specifying that the clean energy and energy efficiency revolving loan fund is established in the Hawaii green infrastructure special fund, rather than the state treasury;
- (2) Clarifying that funds deposited into the clean energy and energy efficiency revolving loan fund are not under the jurisdiction of Public Utilities Commission approval;
- (3) Deleting language that would have deposited a portion of the environmental response, energy, and food security tax into the clean energy and energy efficiency revolving loan fund;
- (4) Allowing any amounts, up to a total of \$50,000,000, of moneys borrowed by the Hawaii Green Infrastructure Authority, with the approval of the Governor, from federal, county, private, or other funding sources to be included in the clean energy and energy efficiency revolving loan fund;
- (5) Providing that, of the fees collected by the Hawaii Green Infrastructure Authority, no monies collected as a result of the funds advanced from proceeds of the green



energy market securitization bonds be kept separate from fees collected as a result of funds advanced from proceeds of the clean energy and energy efficiency loan fund;

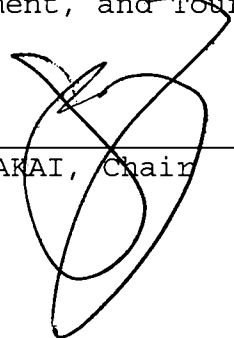
- (6) Expanding the definition of "clean energy investments";
- (7) Authorizing the Hawaii Green Infrastructure Authority to:
 - (A) Implement and administer loan programs on behalf of other state departments or agencies through a memorandum of agreement and expend funds appropriated to the department or agency; and
 - (B) Pledge unencumbered net assets, loan receivable, assigned agreements, and security interests over equipment financed by loan capital borrowed from federal, county, or private sources, as collateral for the authority's borrowings to federal, county, or private lenders or agencies;
- (8) Deleting language that would have deposited a blank amount of the environmental response, energy, and food security tax into the clean energy and energy efficiency revolving loan fund;
- (9) Inserting an appropriation amount of \$50,000,000 to be appropriated out of the clean energy and energy efficiency revolving loan fund for fiscal year 2020-2021;
- (10) Changing the effective date to July 1, 2020; and
- (11) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy, Economic Development, and Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1844, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached



hereto as H.B. No. 1844, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Energy, Economic
Development, and Tourism,

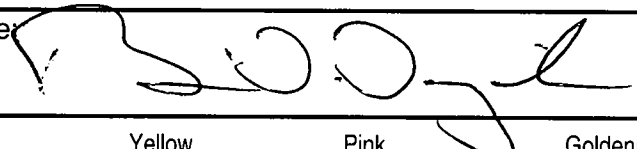


GLENN WAKAI, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Energy, Economic Development, and Tourism
EET

Bill / Resolution No.:*	Committee Referral:	Date:
HB 1844 HD1	EET, NAM	6/22/2020
<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	
WAKAI, Glenn (C)	✓	
TANIGUCHI, Brian T. (VC)	✓	
INOUE, Lorraine R.		✓
KEOHOKALOLE, Jarrett		✓
FEVELLA, Kurt	✓	
TOTAL	3	0
0	0	2
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