HAWAII STATE ENERGY OFFICE
STATE OF HAWAII

DAVID Y. IGE
GOVERNOR

SCOTT J. GLENN
CHIEF F ENERGY OFFICER

235 South Beretania Street, 5TH Floor, Honolulu, HI 96813 | energy.hawaii.gov

(808) 587-3807

Testimony of
SCOTT J. GLENN, Chief Energy Officer

before the
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM
Monday, June 22, 2020
3:00 PM
State Capitol, Conference Room 224

In SUPPORT of
HB 1844, HD1
RELATING TO CLEAN ENERGY FINANCING.

Chair Wakai, Vice Chair Taniguchi, and Members of the Committee, the Hawaii State Energy Office (HSEO) supports with amendments HB 1844, HD1, which establishes the Clean Energy and Energy Efficiency Revolving Loan Fund under the Hawaii Green Infrastructure Authority (HGIA) and repeals the Building Energy Efficiency Revolving Loan Fund under the Hawaii State Energy Office. HB 1844, HD1, also allocates a portion of the Environmental Response, Energy, and Food Security Tax ("Barrel Tax") to the new fund and appropriate funds.

The HSEO supports the creation of the new revolving loan fund to provide flexible financing and low-cost capital for clean energy infrastructure. Given the new fiscal constraints from COVID-19, enactment of this bill while deleting Section 5 on the Barrel Tax would allow the HGIA to pursue outside funds. The HGIA would then be in a position to deploy funds to support a broad range of clean energy technologies and infrastructure more efficiently as compared to using bond financing. Providing affordable energy options for all ratepayers would contribute to reaching the State's clean energy goals while also kick-starting Hawaii's economy.

Given the State's current fiscal shortfall, opportunities to leverage funds from other sources to invest in green infrastructure must be pursued. The U.S. Department of Agriculture (USDA) recently included green banks as eligible borrowers for its Rural Energy Savings Program. If given the authority to borrow moneys from federal, county, private, or other funding sources, the HGIA could apply to borrow federal funds under the USDA program for green infrastructure investments in rural areas across the state. The HSEO supports amending HGIA's statute to allow the authority to borrow moneys from the Federal government and other sources.

To coincide with the measure's repeal of the Building Energy Efficiency Revolving Loan Fund, Section 201-20, Hawaii Revised Statutes, the HSEO respectfully requests that Section 201-12.8, HRS be amended to amend subsection (b), deleting the following:

"(4) To fund the building efficiency revolving loan fund established in section 201-20;"

This deletion is necessary for consistency in repealing the Building Energy Efficiency Revolving Loan Fund.

We support this bill provided that its passage does not replace or adversely impact priorities in our Executive Budget.

Thank you for the opportunity to testify.

DAVID Y. IGE
GOVERNOR

GWEN S. YAMAMOTO LAU
EXECUTIVE DIRECTOR

HAWAII GREEN INFRASTRUCTURE AUTHORITY

No. 1 Capitol District Building, 250 South Hotel Street, Suite 501, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: gems.hawaii.gov
Telephone: (808) 587-3868
Fax: (808) 587-3896

Testimony of
Gwen Yamamoto Lau, Executive Director
Hawaii Green Infrastructure Authority
before the
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT & TOURISM
Monday, June 22, 2020
3:00 P.M.
State Capitol, Conference Room 224
in consideration of
HOUSE BILL NO. 1844, H.D.1
RELATING TO CLEAN ENERGY FINANCING

Chair Wakai, Vice Chair Taniguchi and Members of the Committee on Energy, Economic Development, and Tourism:

Thank you for the opportunity to testify and provide comments on House Bill 1844, HD1, relating to clean energy financing. This bill proposes to create a clean energy and energy efficiency revolving loan fund under the administration of the Hawaii Green Infrastructure Authority (HGIA). HGIA **strongly supports** this bill.

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. Additionally, with the State's current fiscal shortfall, it's important to seek any and all opportunities to leverage funds from the Federal government and other sources to invest in green infrastructure to kick-start Hawaii's economy. Our collective goal is to reduce energy costs, drive higher paying job creation/retention and save billions of dollars currently being spent on importing petroleum.

The U.S. Department of Agriculture recently included green banks as eligible borrowers for its Rural Energy Savings Program, however, in order for HGIA to submit an application to borrow, an amendment must be made to its statute. Additionally, as stewards of taxpayer dollars seeking opportunities to leverage expertise within the State to increase efficiencies while reducing costly and unnecessary redundancies, HGIA is seeking another revision to its statute authorizing it to implement and administer loan programs on behalf of other state departments and agencies. As such, HGIA respectfully requests the following amendments:

- Section 2(a) be amended to read: (a) There is established in <u>Hawaii green infrastructure special fund created in section 196-65, Hawaii Revised Statutes,</u>[~~the state treasury~~] the clean energy and energy efficiency revolving loan fund, similar to a revolving line of credit, which shall be administered by the authority[~~,~~]. Funds deposited into the clean energy and energy efficiency revolving loan fund shall not be under the jurisdiction of nor be subject to Hawaii public utilities commission approval, and [~~into which~~] shall also [~~be deposited~~] include:

- Section 2(a) be amended to replace a new (1), deleting the existing (1) and adding verbiage to (5), as follows:

  (1) Any amounts, up to a total amount not to exceed $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, including but not limited to the U.S. Department of Agriculture and a national green bank, pursuant to part III, chapter 39, Hawaii Revised Statutes;

  [(~~1~~) ~~The portion of the environmental response, energy, and food security tax specified under section 243-3.5~~];

  (5) Any fees collected by the authority under this section provided that no moneys 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 this clean energy and energy efficiency loan fund.

- Section 3 be amended to expand the definition of clean energy investments, as follows:

  ""Clean energy investments" means the purchase or installation, or both, of clean energy technology, including energy efficiency measures, green transportation infrastructure, recycling and renewable energy technology.

- Section 4(c) be amended to insert a new (2) and new (6), then renumbering the remaining functions appropriately, as follows:

  (2) Implement and administer loan programs on behalf of other state departments or agencies through a memorandum of agreement, and expend funds appropriated to said department or agency for purposes authorized by the Legislature;

  (6) Pledge unencumbered net assets, loan receivable, assigned agreements, and security interests over equipment financed by loan capital borrowed from said federal, county or private sources, as collateral for the authority's borrowings to said federal, county, or private lenders or agencies;

- Delete the existing Section 5 in its entirety and renumber remaining sections accordingly.
- Insert an amount of $50,000,000 in the renumbered Section 6.

Thank you for this opportunity to testify and provide comments in support of HB 1844, HD1.

DAVID Y. IGE
GOVERNOR

JOSH GREEN
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
335 MERCHANT STREET, ROOM 310
P.O. BOX 541
HONOLULU, HAWAII 96809
Phone Number: 586-2850
Fax Number: 586-2856
cca.hawaii.gov

CATHERINE P. AWAKUNI COLÓN
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

Testimony of the Department of Commerce and Consumer Affairs

Before the
Senate Committee on Energy, Economic Development, and Tourism
Monday, June 22, 2020
3:00 p.m.
State Capitol, Conference Room 224

On the following measure:
H.B. 1844, H.D. 1, RELATING TO CLEAN ENERGY FINANCING

WRITTEN TESTIMONY ONLY

Chair Wakai and Members of the Committee:

My name is Dean Nishina, and I am the Executive Director of the Department of Commerce and Consumer Affairs' (Department) Division of Consumer Advocacy. The Department supports the intent of and offers comments on this bill.

The purposes of this bill are to: (1) create the clean energy and energy efficiency revolving loan fund under the administration of the Hawaii Green Infrastructure Authority (Authority); (2) repeal the building energy efficiency revolving loan fund; and (3) allocate a portion of the barrel tax to the clean energy and energy efficiency revolving loan fund.

The Department supports H.D. 1's intent to seek other forms of financing to supplement and/or complement ratepayer-funded programs that finance clean energy technology and infrastructure. Given the State's high energy costs, the ability of ratepayers to support broad areas of the clean energy technology market, especially technologies that may not be commercially viable or cost-effective, are extremely limited.

Consistent with the stated intent of this measure, the Department appreciates how H.D. 1 amends proposed HRS section 196-__(a)(4) to exclude funds collected as payment of loans and interest payments from funds advanced from proceeds of green energy market securitization bonds. However, to more closely match the measure's stated intent to use public funds, the Department believes that additional modifications may be necessary to ensure that ratepayer funds are not used to fund the clean energy and efficiency revolving loan fund. Along those lines, the Department respectfully suggests amending proposed HRS section 196-__(a)(4) and (5) on page 5, lines 1 through 8 to read as follows:

> <u>(4) Moneys received as repayment of principal and interest payments on loans from the clean energy and energy efficiency revolving loan fund; and</u>
> <u>(5) Any fees collected by the authority pursuant to this section; provided that no moneys collected pursuant to section 269 shall be used to fund the clean energy and energy efficiency revolving loan fund.</u>

As an alternative to the above proposed modification, the Authority's suggested modification before this committee on March 16, 2020, would be acceptable to address the concern that monies collected from ratepayers might be used to fund the proposed revolving loan fund. For convenience, the proposed modification was to amend 196-(a)(5) to read: "<u>Any fees collected by the authority under this section provided that no moneys collected as a result of the funds advanced from proceeds of the green energy market securitization bonds be intermingled with this clean energy and energy efficiency loan fund</u>."

Thank you for the opportunity to testify on this bill.

DAVID Y. IGE
GOVERNOR

TESTIMONY BY:

JADE T. BUTAY
DIRECTOR

Deputy Directors
LYNN A.S. ARAKI-REGAN
DEREK J. CHOW
ROSS M. HIGASHI
EDWIN H. SNIFFEN

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

June 22, 2020
3:00 p.m.
State Capitol, Room 224
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H.B. 1844. H.D. 1
RELATING TO CLEAN ENERGY FINANCING.

Senate Committee on Energy, Economic Development and Tourism

The Department of Transportation (DOT) **supports** this bill to strengthen the Hawaii Green Infrastructure Authority's ability to support investment in clean energy technology and infrastructure.

The DOT endorses proposed amendments by the Hawaii Green Infrastructure Authority to implement and administer loan programs on behalf of other state departments or agencies through a memorandum of agreement, and expend funds appropriated to said department or agency for purposes authorized by the Legislature.

The DOT believes this clean energy bill aligns with Hawaii’s sustainability goals in providing flexibility in leveraging private sources of capital to stimulate economic opportunities and job creation.

Thank you for the opportunity to provide testimony.

OFFICE OF ECONOMIC DEVELOPMENT
THE COUNTY OF KAUA'I

DEREK S. K. KAWAKAMI, MAYOR
MICHAEL A. DAHILIG, MANAGING DIRECTOR

Testimony of Ben Sullivan
Energy & Sustainability Coordinator, Office of Economic Development

Before the
House Committee on Finance
June 22, 2020 3:00 pm
Conference Room 224

In consideration of
House Bill 1844 HD1 Relating to Clean Energy Financing

Honorable Chair Wakai, Vice Chair Taniguchi, and Members of the committee,

The County of Kauai **strongly supports** HB 1844 HD1, which creates the clean energy and energy efficiency revolving loan fund under the administration of the Hawaii Green Infrastructure Authority, and repeals the building energy efficiency revolving loan fund. <u>We believe that this bill opens access to critically important economic recovery opportunities in the clean energy space for Hawaii.</u>

Alternative financing options for clean energy and energy efficiency projects for our residents and businesses have great potential to support jobs and to help businesses and residents reduce costs. We see the benefits of loan programs that leverage a combination of public and private funds to address market risk and provide greater flexibility to borrowers. This bill opens access to RUS RESP funds as well as potential future sources of capital such as the proposed '*National Climate Bank*' co-introduced in the U.S. Senate by Senator Brian Schatz. HB 1844 HD-1 addresses several key issues for Kauai:

1. **Access for Kauai Residents:** By decoupling from the Public Benefits Fund (PBF) the program opens participation from Kauai residents and businesses who have been excluded to date because of KIUC's election to not to be included in the PBF.
2. **Alternative borrowing options**: By allowing the use of both public and private funds, the program can more easily be sustained while still meeting the unique needs of low and moderate income residents as well as small businesses who may have viable projects but no way to finance them through conventional means.
3. **Future growth:** Any good program takes time to implement, refine, and mature. Without a strategy for maintaining operations, it is difficult for the maturation process to take place. The GEMS program expires when the current traunch of funding is exhausted. By converting to a revolving fund and a establishing a means of incorporating private capital, this legislation opens the door for alternative clean energy financing to be available in perpetuity.

Kauai is likely too small to administer complex efficiency programs independently, without a larger base of utility customers. This means that our residents are too often excluded from participating in opportunities to help them reduce their energy use and costs. Although our utility cooperative is a leader in many ways, it simply has not been able to prioritize the implementation of a program such as this. By passing this legislation, we can create needed access to alternative financing for the many NGOs, small businesses, and struggling households here on Kauai, and improve the existing programs all across the State.

Thank you for the opportunity to testify in support of this measure.

SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

June 22, 2020, 3:00 P.M.
Room 224
(Testimony is 2 pages long)

TESTIMONY IN SUPPORT OF HB 1844 HD1

Aloha Chair Wakai, Vice Chair Taniguchi, and Committee members:

Blue Planet Foundation supports HB 1844 HD1, which strengthens and expands the state's efforts to ensure an equitable transition to our 100% clean energy future.

This measure contains the following important elements:

- Replacing the dormant and unused building energy efficiency revolving loan fund with a "clean energy and energy efficiency revolving loan fund" and moving the governance of the fund to the active Hawai'i Green Infrastructure Authority (HGIA); and
- Expanding the potential clean energy technologies that the revolving loan fund can support.

These policy changes will help to accelerate the adoption of renewable energy and energy efficiency and help businesses and families who are currently underserved by existing market-based clean energy solutions. With nearly half of Hawai'i families living paycheck to paycheck *even before* the COVID-19 pandemic, reverting back to business as usual isn't enough. We need new approaches that protect families by ensuring access to low-cost renewable energy options and affordable monthly energy bills.

The HGIA is an effective entity to implement the clean energy revolving loan fund. The Green Energy Market Securitization (GEMS) loan program—which is governed by the HGIA—was developed as a way to fill underserved gaps and lower the cost of clean energy financing. While the program was initially hampered with regulatory and marketplace challenges, the GEMS program is now successfully achieving this mission, with nearly 80% of the $80 million in funds committed to date being deployed as low-interest loans for low-income and moderate-income energy customers.[1] The now-profitable program has helped to create or retain over 1,000 clean energy jobs and avoid the emission of nearly a quarter million metric tons of carbon emissions.[2] Moreover, the program's on-bill financing option enables renters and low-income households to install solar and energy-saving equipment with reduced credit barriers and no upfront costs.

[1] *Green Energy Market Securitization Program Quarterly Report (January 1, 2020 – March 31, 2020)*, Hawai'i Green Infrastructure Authority.
[2] Ibid.

info@blueplanetfoundation.org
55 Merchant Street 17th Floor • Honolulu, Hawai'i 96813 • 808-954-6161 • blueplanetfoundation.org

Rather than using traditional measures of credit, applicants can qualify regardless of credit history, with eligibility based upon on-time payment of their recent electric bills.

Additional program benefits, according to HGIA's most recent report are detailed in the table below.

Excess Revenues over Expenses – YTD FY2020[3]	**$2,373,620**
Jobs Created / Retained	**1,062**
State of Hawaii Tax Revenues Generated	**$12,897,511**
Total Estimated kWh Production / Reduction Over Lifetime	**790,383,275**
Total Petroleum Displaced Over Lifetime (Estimated Barrels)	**485,280**
Total Greenhouse Gas Avoided Over Lifetime (Metric Tons CO_2)	**237,717**
Percent Low- and Moderate-income Households Served	**78.0%**

House Bill 1844 HD1 would allow HGIA to level additional funds to expand this effective loan program. The HGIA has a little over $48 million of the original bond available to lend for approved clean energy projects. Once the bond is exhausted, however, the GEMS program will not be able to continue its effective work, as the funds returned will go to repaying the bond (unless another bond is sought). This measure proposes to continue the GEMS success by overseeing a revolving clean energy loan program, where the repaid funds can then be re-loaned to benefit more businesses and residents. This enables the GEMS loan program—with its requirement to serve at least 51% low- and moderate-income—to continue sustainably.

Finally, the existing, dormant revolving loan fund allows for the receipt of funds from any source, including private sources. This could enable the GEMS program to operate in partnership with philanthropic or other private interests who support accelerating the just transition to 100% clean energy through a proven loan program.

It is also critical that HB 1844 contain the appropriate language to allow HGIA to **leverage federal funding available to invest in green infrastructure as Hawai‘i recovers from the COVID-19 pandemic**. The U.S. Department of Agriculture, for example, recently expanded its Rural Energy Savings Program to include green banks as eligible borrowers. Clarifying the language in House Bill 1844 HD1 to allow for additional federal funding to flow in-state is especially important now amid the state’s current budget shortfall.

Blue Planet Foundation supports HB 1844 HD1 as a smart policy to strengthen and expand Hawai‘i's ability to help us all move together toward 100% clean energy. We respectfully request that the Committee amend the measure to take effect upon approval.

Thank you for the opportunity to testify.

[3] Excess Revenue over Expenses before loan repayments returned to the PUC / Public Benefits Fee Administrator per Order No. 34930 Amending Decision and Order No. 32318 By Changing the Priority uses of GEMS Program Loan Repayments.

Written Statement of Elemental Excelerator
before the Senate Committee on Energy, Economic Development, and Tourism

In consideration of HB 1846 HD 2
RELATING TO ENERGY EFFICIENCY
June 22,, 2020

Aloha Chair Wakai, Vice-Chair Taniguichi, and Members of the Senate Committee on Energy, Economic Development, and Tourism

Elemental Excelerator respectfully submits **support** for HB 1846 HD 2, which:

1. Requires an energy audit for all state facilities with an area over 10,000 square feet, except facilities at the Aloha Stadium, by 1/1/2022, and dates for energy efficiency implementation.
2. Beginning 7/1/2020, allow for new state building construction to utilize post-industrial carbon dioxide mineralized concrete, or other materials that reduce the carbon footprint of the project where feasible and cost-effective, have twenty-five per cent of its accompanying parking lot be electric vehicle charger ready.
3. Authorizes the Hawaii state energy office to access utility bills and energy usage data for state-owned buildings and make the data publicly available.

Elemental Excelerator is a Honolulu-based non-profit organization that supports climate positive startup companies that are helping solve Hawai'i's most urgent environmental problems. Each year, we select 15-20 companies annually that best fit our mission and fund each company up to $1 million. To date, we have awarded $36 million to 99 companies resulting in over fifty demonstration projects in Hawaiʻi & the Asia Pacific.

About twenty percent of Elemental Excelerator's portfolio companies focus on resilience in the real estate sector. We support the key points listed above, and aim to provide some additional information about the requirement "*to allow for the building to be a net zero capable structure, use post-industrial carbon dioxide mineralized concrete where cost-effective*".

This provision aligns with the Hawaii Department of Transportation (HDOT) deployment in May 2019 of post-industrial carbon dioxide mineralized concrete as a sustainable transportation initiative.[1] The initial test involved a pour of 150 cubic yards of carbon-injected concrete next to an equivalent pour of standard concrete mix on an access road for the Kapolei Interchange Phase 2 on Oahu Island. The carbon-injected material has turned out to be stronger and more workable, with no increase in cost over traditional concrete.[2] It also aligns with Honolulu City Council Resolution 18-283, which was unanimously adopted in April 2019. The resolution "*requests the city administration to consider using carbon dioxide mineralization concrete for all future infrastructure projects utilizing concrete*"[3] In July 2019, the United States Conference of Mayors adopted the "Honolulu Resolution" urging 400 cities to introduce legislation that prioritizes utilizing post-industrial carbon dioxide mineralized concrete for use in city-building and infrastructure projects to their city councils.[4] It also aligns with existing policies like Act 15 and Act 32, which structures the Greenhouse Gas Sequestration Task Force[5] and sets a target for a zero-emissions clean economy by 2045.[6]

These policies demonstrate a growing commitment in Hawaiʻi and across the nation to repurpose and sequester CO2, known as CO2 utilization or CO2U, and signal Hawaiʻi's leadership in growing its economy while prioritizing sustainable new technologies.

We strongly support HB 1846 HD 2 and the requirement for new state building construction to use post-industrial carbon dioxide mineralized concrete for the following reasons:

1. **It can be implemented quickly and is economically responsible:** The 2016 *Global Roadmap for Implementing CO2 Utilization* (GCI) study has identified several companies in the market that use post-industrial carbon dioxide [CO2] mineralized concrete in partnership with existing concrete producers. This process can reduce operational costs and create up to $26 billion in new production efficiencies.[7]
2. **It reduces greenhouse gas emissions:** Concrete is the most widely used construction material in the world because of its low cost, strength, and durability. However, 7% of CO2 emissions come from cement production. In 2017, Hawaiʻi imported around 300,000 tons of cement from Taiwan. The importing of concrete leads to additional costs in shipping, which also leads to a larger CO2 footprint. With CO2 mineralization, concrete development can reduce up to 700 megatons of annual global CO2 emissions.[8]
3. **It is a competitive and innovative technology:** The GCI study found that the emerging carbon utilization industry is expected to become a $1 trillion industry by the year 2030.[9]

Mahalo for the opportunity to provide testimony.

Sincerely,

Tiffany Huynh

Tiffany Huynh
Director of External Affairs

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[1] HDOT Tests Sustainable Concrete Mix Designed to Reduce Carbon Footprint of Road Construction, May 2019
[2] Hawaii's DOT tests sustainable concrete, May 2019
[3] Honolulu City Council Resolution 18-283
[4] 2019 United States Conference of Mayors, Honolulu Resolution
[5] Hawaiʻi Act 015 GM 1115
[6] Hawaiʻi Act 32 GM 1132
[7]CarbonCure. (n.d.). Retrieved from https://www.carboncure.com/
[8] Who's who in North American cement imports (October 2018). Retrieved from https://cementdistribution.com/wp-content/uploads/2018/11/Who-is-who-in-North-American-cement-imports.pdf
[9] Global Roadmap for Implementing CO2 Utilization (November 2016), p.5. Retrieved from http://www.globalco2initiative.org/wp-content/uploads/2018/09/GlobalRoadmapCO2.pdf

LEGISLATIVE TAX BILL SERVICE

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304 Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: FUEL, Barrel Tax Earmark for Clean Energy Financing

BILL NUMBER: HB 1844, HD-1

INTRODUCED BY: House Committee on Energy & Environmental Protection

EXECUTIVE SUMMARY: Creates the clean energy and energy efficiency revolving loan fund under the administration of the Hawaii Green Infrastructure Authority. Repeals the building energy efficiency revolving loan fund. Allocates a portion of the barrel tax to the clean energy and energy efficiency revolving loan fund.

SYNOPSIS: Adds a new section to chapter 196, HRS, to establish the clean energy and energy efficiency revolving loan fund. The stated purpose of the money in the fund is to provide low-cost loans at below-market rates or other authorized financial assistance to eligible public, private, and nonprofit borrowers for clean energy investments or other authorized uses, or both, on terms approved by the authority. Moneys from the fund may be used to cover administrative and legal costs of fund management and management associated with individual loans, to include personnel, services, technical assistance, data collection and reporting, materials, equipment, and travel.

Adds several new definitions to section 196-61, HRS.

Amends section 243-3.5, HRS, to add a new earmark to the barrel tax of __ cents per barrel to be deposited into the clean energy and energy efficiency revolving loan fund.

Repeals section 201-20, HRS, which had established the building energy efficiency revolving loan fund.

Makes technical and conforming amendments.

EFFECTIVE DATE: July 1, 2050.

STAFF COMMENTS: The proposed measure would perpetuate the earmarking of barrel tax revenues. Below-market loans to fund energy infrastructure may provide some benefit to the State. But does that justify grabbing a pot of barrel tax money without going through the normal budgeting process that also considers sweltering primary schools, underfunded state pensions, or disaster relief for rain-flooded or lava-burnt counties?

Rather than the continual earmarking of revenues, a direct appropriation of general funds would be preferable. Earmarking revenues from any tax type for a particular purpose decreases transparency and accountability.

Apparently, the bill supporters want the Hawaii Green Infrastructure Authority (HGIA) to administer a program that includes making below-market loans. As the Public Utilities

Commission has ruled before, however, HGIA needs to be able to support itself; if it does not, the PUC can and will make orders restricting HGIA's activities. Requiring it to make loans on other than commercially reasonable terms is counter to this goal and will breach either HGIA's or the PUC's fiduciary duties, or the bond covenants under which HGIA borrowed the lion's share of the capital it now has.

Next, it should be remembered that revenues diverted for a special purpose, in this case to fund a questionable loan program, will not be counted against the state's spending ceiling or debt limit and will obscure the state's true financial condition.

Digested 2/24/2020

TESTIMONY OF TINA YAMAKI
PRESIDENT
RETAIL MERCHANTS OF HAWAII
June 22, 2020

Re: HB 1844 HD1 Relating to Clean Energy Financing

Good afternoon Chair Wakai and members of the Senate Committee on Energy, Economic Development & Tourism. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii (RMH) as founded in 1901 and is a statewide, not for profit trade organization committed to the growth and development of the retail industry in Hawaii. The retail industry is one of the largest employers in the state, employing 25% of the labor force.

While the Retail Merchants of Hawaii appreciates the intent, we currently oppose HB 1844 HD1 Relating to Clean Energy Financing. This measure creates the clean energy and energy efficiency revolving loan fund under the administration of the Hawaii Green Infrastructure Authority. Repeals the building energy efficiency revolving loan fund. Allocates a portion of the barrel tax to the clean energy and energy efficiency revolving loan fund. Appropriates funds. Effective 7/1/2050.

We question if the state can truly afford to create another authority at this time. Hawaii's economy is so reliant either directly or indirectly on tourism. With tourism currently almost nonexistent, many businesses remain closed until their customer base returns. Others have very dismal business. Consumer spending is down as unemployment is at an all time high. Most people are spending on what they need, not what would be nice to have. Every day we are seeing more companies either file for bankruptcy or are closing their doors for good. Companies who have received Payroll Protection Program loan are running out of the monies received and as a result we are currently seeing a lot more employees being laid off. This is concerning since unemployment in Hawaii is already at an all-time high.

With the current ongoing COVID-19 pandemic, the state is losing millions of dollars in tax revenue. Taking monies from the barrel tax at this time would place an even greater loss on the state general fund. We are concerned that monies may be severely reduced or taken away from much needed services that are already established.

Now is not the time to create a new authority that would take away monies from the state general fund.

We urge you to hold this measure.

Mahalo again for this opportunity to testify.

3610 Waialae Ave • Honolulu, HI 96816 (808) 592-4200 tyamaki@rmhawaii.org

HB-1844-HD-1
Submitted on: 6/20/2020 5:37:56 PM
Testimony for EET on 6/22/2020 3:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Benton Kealii Pang, Ph.D.	Individual	Support	No

Comments:

OFFICE OF CLIMATE CHANGE, SUSTAINABILITY AND RESILIENCY

CITY AND COUNTY OF HONOLULU

925 DILLINGHAM BOULEVARD, SUITE 257 • HONOLULU, HAWAIʻI 96817
PHONE: (808) 768-2277 • EMAIL: resilientoahu@honolulu.gov • INTERNET: www.resilientoahu.org

KIRK CALDWELL
MAYOR

JOSHUA W. STANBRO
EXECUTIVE DIRECTOR &
CHIEF RESILIENCE OFFICER

LATE

MONDAY, JUNE 6, 2020, 3:00 PM

STATE OF HAWAIʻI
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT,
AND TOURISM

TESTIMONY ON HOUSE BILL 1844, HD1
A BILL RELATING TO CLEAN ENERGY FINANCING

BY,

JOSHUA STANBRO
EXECUTIVE DIRECTOR AND CHIEF RESILIENCE OFFICER
OFFICE OF CLIMATE CHANGE, SUSTAINABILITY AND RESILIENCY

Dear Chair Wakai and Members of the Committee:

The City and County of Honolulu Office of Climate Change, Sustainability and Resiliency (“Resilience Office”) **supports** House Bill 1844, HD1, which creates the clean energy and energy efficiency revolving loan fund under the administration of the Hawaiʻi Green Infrastructure Authority (HGIA).

A revolving loan fund has the potential to become a powerful tool to finance energy efficiency, renewable energy, and other projects critical to achieving Hawaiʻi’s sustainability and resilience goals while simultaneously acting as a powerful economic stimulus and job creation engine in response to the ongoing COVID-19 (coronavirus) pandemic. By providing the ability to attract and leverage private sources of capital, a revolving loan fund can lower overall costs and provide access to clean energy technologies for those who have not yet been able to afford them. This can be particularly important for Oʻahu’s residents right now, as many face unprecedented economic and energy burdens as a result of the pandemic.

Passage of this bill will support the City’s recovery efforts and enhance Hawaiʻi’s ability to address climate change and protect its citizens from its impacts in an equitable and cost-effective manner. In addition, the bill would empower HGIA to implement and administer loan programs on behalf of other agencies thereby reducing administrative burden and cost of deployment.

Thank you for the opportunity to testify in support of this measure.