
A BILL FOR AN ACT

RELATING TO ENERGY.

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

1 PART I

2 SECTION 1. Section 196-71, Hawaii Revised Statutes, is
3 amended to read as follows:

4 " [H]§196-71 [H] [~~Hawaii state energy office;~~] Energy
5 division; established. (a) There is established within the
6 department of business, economic development, and tourism the
7 [~~Hawaii state energy office, which shall be a public body~~
8 ~~politic and an instrumentality and agency of the State. The~~
9 ~~office shall be placed within the department of business,~~
10 ~~economic development, and tourism for administrative purposes,~~
11 ~~pursuant to section 26-35.] energy division. The purpose of the
12 [~~Hawaii state energy office]~~ energy division shall be to promote
13 energy efficiency, renewable energy, and clean transportation to
14 help achieve a resilient and affordable clean energy economy.
15 (b) The [~~Hawaii state energy office]~~ energy division
16 shall:~~



- 1 (1) [Provide] Perform analysis and [~~planning~~] research to
2 actively develop plans and inform policies to achieve
3 energy efficiency, renewable energy, energy
4 resiliency, grid reliability, and clean transportation
5 goals that are established by statute or rule. The
6 division shall perform its work in collaboration with
7 the legislature[~~;~~]; public utilities commission[~~;~~];
8 other divisions within the department of business,
9 economic development, and tourism; state agencies[~~;~~];
10 and other relevant stakeholders;
11 (2) Lead efforts to incorporate energy efficiency,
12 renewable energy, energy resiliency, and clean
13 transportation to reduce costs or lead by
14 demonstration, and achieve clean energy goals across
15 all public facilities;
16 [~~(3) Provide renewable energy, energy efficiency, energy~~
17 ~~resiliency, and clean transportation project~~
18 ~~deployment facilitation to assist private sector~~
19 ~~project completion when aligned with state energy~~
20 ~~goals; and]~~



- 1 (3) Assist private sector projects in renewable energy,
2 energy efficiency, energy resiliency, and clean
3 transportation that are aligned with statutorily
4 mandated state energy goals, ensuring completion of
5 those projects expeditiously and in compliance with
6 guaranteed commercial operations dates;
- 7 (4) Engage the private sector to help lead efforts to
8 achieve renewable energy and clean transportation
9 goals through the Hawaii clean energy initiative[-]
10 program pursuant to section 196-10.5; and
- 11 (5) Lease lands, grant licenses, and grant easements to
12 private renewable energy producers or producers of
13 renewable fuels, renewable gas, hydrogen fuels,
14 hydrogen, or fuel cells; provided that any lease,
15 license, or easement shall be made through a request
16 for proposals or direct negotiation.
- 17 (c) The energy division may:
- 18 (1) Establish offtake agreements with private or utility
19 buyers of renewable energy or renewable fuels,
20 renewable gas, hydrogen, or fuel cells;



1 (2) Facilitate offtake agreements between producers and
2 buyers of renewable energy or renewable fuels,
3 renewable gas, hydrogen, or fuel cells; and

4 (3) Work through the public utilities commission to
5 establish rules for purposes of paragraphs (1) and
6 (2), as applicable.

7 [~~(e)~~] (d) The [Hawaii state energy office] energy division
8 shall be the State's primary government entity for [~~supporting~~]
9 implementation of the clean energy initiative[~~-~~] program under
10 section 196-10.5.

11 [~~(d)~~] (e) No later than twenty days prior to the convening
12 of each regular session, the [~~Hawaii state energy office] energy~~
13 division shall submit a report to the legislature that includes:

14 (1) A description of the activities of the [~~Hawaii state~~
15 ~~energy office] energy division~~ in response to the
16 directives established pursuant to subsection (b) and
17 section 196-72(d), along with progress in meeting
18 [~~any~~] all of the [~~Hawaii] statutorily established~~
19 state energy [~~office] goals [established in or~~
20 ~~pursuant to this part];~~



- 1 (2) Progress by the State in meeting its statutorily
- 2 mandated energy efficiency, renewable energy, and
- 3 clean transportation goals; [~~and~~]
- 4 (3) An annual updated energy plan to achieve those goals;
- 5 and
- 6 ~~[(3)]~~ (4) Proposed legislation~~[7]~~ to meet those goals, if
- 7 any."

8 SECTION 2. Section 196-72, Hawaii Revised Statutes, is
 9 amended to read as follows:

10 "~~[(1)]~~**\$196-72**~~[(1)]~~ **Chief energy [~~officer~~] administrator of the**
 11 **~~[Hawaii state energy office;] energy division; duties.~~** (a) The
 12 ~~[Hawaii state energy office]~~ energy division shall be led by the
 13 chief energy [~~officer, who shall be nominated and, by and with~~
 14 ~~the advice and consent of the senate, appointed by the governor;~~
 15 ~~provided that the term of the chief energy officer shall be~~
 16 ~~eoterminous with the term of the governor.] administrator who
 17 shall be appointed by the director of business, economic
 18 development, and tourism.~~

- 19 (b) The chief energy [~~officer~~] administrator shall have:
- 20 (1) Experience, knowledge, and expertise in policy,
- 21 programs, or services related to energy efficiency,



1 renewable energy, clean transportation, ~~[and]~~ energy
2 resiliency, and grid reliability related activities
3 and development; and

4 (2) Experience in a supervisory or administrative
5 capacity.

6 (c) The chief energy ~~[officer]~~ administrator shall hire
7 staff necessary to carry out the purposes of this part. The
8 chief energy ~~[officer]~~ administrator and employees of the
9 ~~[Hawaii state energy office]~~ energy division shall be exempt
10 from chapter 76 and shall not be considered civil service
11 employees but shall be entitled to any employee benefit plan
12 normally inuring to civil service employees.

13 (d) ~~[Subject to the approval of the governor, the]~~ The
14 chief energy ~~[officer]~~ administrator and the energy division
15 shall:

16 (1) Formulate, analyze, recommend, and implement specific
17 policies, strategies, and plans, in coordination with
18 public and private sector stakeholders, to cost-
19 effectively and equitably achieve the ~~[State's]~~
20 statutorily established state energy goals;



- 1 (2) Identify, track, and report key performance measures
2 and milestones related to the State's energy [~~and~~
3 ~~decarbonization~~] goals;
- 4 (3) Provide technical assistance to state and county
5 agencies and the private sector to assess and
6 implement projects and programs related to energy
7 conservation and efficiency, renewable energy, clean
8 transportation, energy resiliency, and related
9 measures;
- 10 (4) Coordinate the State's energy programs with those of
11 the federal government [~~, other territory and state~~
12 ~~governments, the political subdivisions of the State,~~
13 ~~departments of the State, and governments of nations~~
14 ~~with interest in common energy resources~~];
- 15 (5) Identify market gaps and innovation opportunities,
16 collaborate with stakeholders, and facilitate
17 public-private partnerships to develop projects,
18 programs, and tools to encourage private and public
19 exploration, research, and development of energy
20 resources, [~~distributed energy resources,~~] and data



- 1 analytics that will support the State's energy [~~and~~
 2 ~~decarbonization~~] goals;
- 3 (6) Create and review proposed state actions that may have
 4 a significant effect on the State's energy [~~and~~
 5 ~~decarbonization~~] goals, report to the [~~governor their~~
 6 ~~effect on the energy program,~~] legislature the effects
 7 of those actions, recommend further actions to
 8 increase the benefit or mitigate the effects of those
 9 actions, and perform other services as may be
 10 required;
- 11 (7) Evaluate, recommend, and participate in the
 12 development of incentives and programs that encourage
 13 the development of energy efficiency, renewable
 14 energy, energy resiliency, [~~distributed energy~~
 15 ~~resources,~~] and clean transportation resources;
- 16 (8) Assess and evaluate the effectiveness and continued
 17 necessity of existing energy related incentives, tax
 18 credits, and programs, and provide recommendations and
 19 proposed changes;
- 20 (9) Develop and maintain a comprehensive and systematic
 21 quantitative and qualitative capacity to analyze the



- 1 status of energy resources, systems, and markets, both
2 in-state and in other states and countries,
3 particularly in relation to the State's economy, and
4 to recommend, develop proposals for, and assess the
5 effectiveness of policy and regulatory decisions, and
6 energy emergency planning;
- 7 (10) Develop and recommend programs for, and assist public
8 agencies in the implementation of, energy assurance
9 and energy resilience;
- 10 (11) Support the development, evaluation, revision, and
11 adoption of energy-related codes and standards, land
12 use, leasing of land practices, and permitting
13 statutes and ordinances that advance the State's
14 energy goals;
- 15 (12) Act as the State's energy data clearinghouse by
16 identifying, collecting, compiling, analyzing,
17 publishing, and where possible, monetizing energy and
18 clean transportation data and analyses;
- 19 (13) Advocate for the State's energy and decarbonization
20 goals at relevant venues and departments, including
21 but not limited to the public utilities commission,



1 legislature, and division of consumer advocacy, to
2 ensure that state energy policies and regulations
3 align with the state strategic goals and are
4 data-driven;

5 (14) Support economic development, jobs, and innovation
6 initiatives related to and resulting from the State's
7 renewable energy [~~and distributed energy resources~~]
8 experience, capabilities, and data analyses;

9 (15) Facilitate the efficient, expedited [~~permitting of~~]
10 completion of private-sector energy efficiency,
11 renewable energy, clean transportation, and energy
12 resiliency projects by:

13 (A) Coordinating and aligning state and county
14 departments and agencies to support, expedite,
15 and remove barriers to deployment of energy
16 initiatives and projects; [~~and~~]

17 (B) Identify [~~and~~], evaluate, coordinate, eliminate,
18 or resolve conflicting or onerous policies,
19 processes, and rules that unreasonably impede
20 project development and deployment and propose
21 regulatory, legislative, or administrative[~~r~~]



1 processes, or other solutions to applicable
2 stakeholders;

3 (C) Facilitate the resolution of conflicts between
4 state and county agencies, including engagement
5 with other divisions and the director of
6 business, economic development, and tourism; and

7 (D) Facilitate and expedite approvals and reviews for
8 permits, including permits for land leases or to
9 satisfy environmental or archeological
10 requirements;

11 (16) Identify and recommend policies to align utility
12 company goals and models with [~~those of ratepayers,~~
13 ~~including evaluating utility models that best support]~~
14 state energy plans and goals;

15 (17) Develop a state energy plan that includes:

16 (A) The State's and the energy division's annual
17 goals for achievement of state energy policies;

18 (B) Strategies and actions for the one-, five-, ten-,
19 and fifteen-year forecasts for the state annual
20 achievement of state energy policy goals;



- 1 (C) Strategies, tasks, and actions taken by the
- 2 energy division for one-, five-, ten-, and
- 3 fifteen-year forecasts for the state annual
- 4 achievement of state energy policy goals;
- 5 (D) Annual reporting of the achievements made by the
- 6 state and divisions, branches, and sections;
- 7 (E) Tasks taken in efforts to achieve state energy
- 8 policy goals;
- 9 (F) Evaluation of causes, effects, improvements, and
- 10 future actions necessary to compensate for the
- 11 changes;
- 12 (G) Identification of barriers to achievement of
- 13 state energy policy goals;
- 14 (H) Identification of policies needed to achieve
- 15 state energy policy goals;
- 16 (I) Status of land acquisition and leasing for
- 17 renewable energy projects and fuels;
- 18 (J) Reporting of how the divisions, branches, and
- 19 sections have specifically achieved or not
- 20 achieved goals and strategies; and



1 SECTION 3. Section 196-81, Hawaii Revised Statutes, is
2 amended by amending the definition of "chief energy officer" to
3 read as follows:

4 "~~Chief energy officer~~" "Chief energy administrator"
5 means the chief energy ~~[officer]~~ administrator of the ~~[Hawaii~~
6 ~~state energy office.]~~ energy division of the department of
7 business, economic development, and tourism."

8 SECTION 4. Act 226, Session Laws of Hawaii 223, is amended
9 by amending sections 3 and 4 to read as follows:

10 "SECTION 3. (a) There is established a clean ground
11 transportation working group within the department of
12 transportation for administrative purposes.

13 (b) The working group shall:

14 (1) Develop metrics, benchmarks, plans, and
15 recommendations for the State to achieve the goals set
16 forth in sections 225P-5 and 225P-8(a), Hawaii Revised
17 Statutes;

18 (2) Coordinate with other groups, agencies, and programs
19 within and outside of the State that are working to
20 achieve zero-emissions transportation;



- 1 (3) Coordinate with the State and applicable stakeholders
2 to pursue grants and other funding opportunities for
3 the State to achieve the goals set forth in sections
4 225P-5 and 225P-8(a), Hawaii Revised Statutes;
- 5 (4) Consider reducing vehicle miles travelled and demand
6 management; and
- 7 (5) Consider equity concerns, including economic and
8 accessibility impacts to low-income communities.
- 9 (c) The working group shall comprise the following:
- 10 (1) The director of transportation, or the director's
11 designee, who shall serve as co-chairperson of the
12 working group;
- 13 (2) The chief energy [~~officer~~] administrator of the
14 [~~Hawaii state energy office,~~] energy division of the
15 department of business, economic development, and
16 tourism, or the chief energy [~~officer's~~]
17 administrator's designee, who shall serve as co-
18 chairperson of the working group;
- 19 (3) The director of the office of planning and sustainable
20 development, or the director's designee;



- 1 (4) The co-chairpersons of the commission, or the co-
- 2 chairpersons' designees;
- 3 (5) The chairpersons of the senate and house of
- 4 representatives standing committees having primary
- 5 jurisdiction over transportation, or their designees;
- 6 (6) The mayor of each county, or their designees, who
- 7 shall be invited by the working group to participate;
- 8 and
- 9 (7) Other relevant stakeholders as recommended by the
- 10 working group.
- 11 (d) The working group shall:
- 12 (1) Submit annual interim reports to the commission of the
- 13 working group's activities performed, progress made,
- 14 and recommendations for the State to achieve the goals
- 15 set forth in sections 225P-5 and 225P-8(a), Hawaii
- 16 Revised Statutes, twenty days prior to the convening
- 17 of each regular session from 2024 to 2034; and
- 18 (2) Submit a final report on the progress made and
- 19 recommendations for the State to achieve the goals set
- 20 forth in sections 225P-5 and 225P-8(a), Hawaii Revised
- 21 Statutes, including any proposed legislation, to the



1 legislature no later than twenty days prior to the
2 convening of the regular session of 2035.

3 (e) The working group shall cease to exist on January 1,
4 2035.

5 SECTION 5. (a) There is established an interisland clean
6 transportation working group within the department of
7 transportation for administrative purposes.

8 (b) The working group shall:

9 (1) Develop metrics, benchmarks, plans, and
10 recommendations for the State to achieve the goals set
11 forth in sections 225P-5 and 225P-8(a), Hawaii Revised
12 Statutes;

13 (2) Coordinate with other groups, agencies, and programs
14 within and outside of the State that are working to
15 achieve zero-emissions interisland transportation;

16 (3) Coordinate with other groups, agencies, and programs
17 within and outside of the State that are developing
18 interim solutions to achieve long-haul zero-emissions
19 transportation, which may include lower-carbon
20 sustainable aviation fuels, hydrogen-based fuel, or
21 other potential options;



- 1 (4) Coordinate with stakeholders to identify not less than
2 fifteen possible transportation hubs throughout the
3 State with at least two in each county to support
4 innovative point-to-point or island-to-island
5 transportation options, including options such as
6 electric vertical takeoff and landing aircraft,
7 electric sea gliders, and other similar forms of
8 innovative zero-emissions technology;
- 9 (5) Develop recommendations for a coordinated package of
10 environmental review, infrastructure planning, and
11 other due diligence for fifteen sites throughout the
12 State that shall enable innovative transportation
13 operators to more easily deploy innovative options for
14 zero-emissions transportation;
- 15 (6) Coordinate with the State and applicable stakeholders
16 to pursue grants and other funding opportunities for
17 the State to achieve the goals set forth in sections
18 225P-5 and 225P-8(a), Hawaii Revised Statutes;
- 19 (7) Consider reducing vehicle miles travelled and demand
20 management; and



- 1 (8) Consider equity concerns, including economic and
- 2 accessibility impacts to low-income communities.
- 3 (c) The working group shall comprise the following:
- 4 (1) The director of transportation, or the director's
- 5 designee, who shall serve as co-chairperson of the
- 6 working group;
- 7 (2) The chief energy [~~officer~~] administrator of the
- 8 [~~Hawaii state energy office,~~] energy division of the
- 9 department of business, economic development, and
- 10 tourism, or the chief energy [~~officer's~~]
- 11 administrator's designee, who shall serve as co-
- 12 chairperson of the working group;
- 13 (3) The director of the office of planning and sustainable
- 14 development, or the director's designee;
- 15 (4) The co-chairpersons of the commission, or the co-
- 16 chairpersons' designees;
- 17 (5) The chairpersons of the senate and house of
- 18 representatives standing committees having primary
- 19 jurisdiction over transportation, or the chairpersons'
- 20 designees;



- 1 (6) The mayor of each county, or the mayor's designees,
2 who shall be invited by the working group to
3 participate; and
- 4 (7) Other relevant stakeholders, as recommended by the
5 working group.
- 6 (d) The working group shall:
 - 7 (1) Submit annual interim reports to the commission of the
8 working group's activities performed, progress made,
9 and recommendations for the State to achieve the goals
10 set forth in sections 225P-5 and 225P-8(a), Hawaii
11 Revised Statutes, twenty days prior to the convening
12 of each regular session from 2024 to 2034; and
 - 13 (2) Submit a final report of the progress made and
14 recommendations for the State to achieve the goals set
15 forth in sections 225P-5 and 225P-8(a), Hawaii Revised
16 Statutes, including any proposed legislation, to the
17 legislature no later than twenty days prior to the
18 convening of the regular session of 2035.
- 19 (e) The working group shall cease to exist on January 1,
20 2035."



1 SECTION 6. Sections 125C-22, 125C-23, 125C-31, 141-9,
2 196-5, 196-6.5, 196-11, 196-30, 196-63, 196-83, 206M-23, 235-
3 110.32, 286-5, 286-172, 304A-1891, 304A-1892, and 304A-1894.1,
4 Hawaii Revised Statutes, are amended by substituting the term
5 "chief energy administrator" wherever the term "chief energy
6 officer" appears, as the context requires.

7 SECTION 7. Sections 107-22, 125C-22, 125C-23, 125C-31,
8 141-9, 196, 196-5, 196-6.5, 196-11, 196-30, 196-32, 196-63, 201-
9 12.8, 206M-23, 206M-24, 225P-8, 235-110.32, 264-20.7, 269-72,
10 269-74, 286-5, 286-172, 291C-6, 304A-1891, 304A-1892, 304A-
11 1894.1, and 304A-1969, Hawaii Revised Statutes, are amended by
12 substituting the term "energy division" wherever the term
13 "Hawaii state energy office" appears, as the context requires.

14 SECTION 8. All rights, powers, functions, and duties of
15 the Hawaii state energy office are transferred to the energy
16 division of the department of business, economic development,
17 and tourism.

18 All officers and employees whose functions are transferred
19 by this Act shall be transferred with their functions and shall
20 continue to perform their regular duties upon their transfer,
21 subject to the state personnel laws and this Act.



1 No officer or employee of the State having tenure shall
2 suffer any loss of salary, seniority, prior service credit,
3 vacation, sick leave, or other employee benefit or privilege as
4 a consequence of this Act, and such officer or employee may be
5 transferred or appointed to a civil service position without the
6 necessity of examination; provided that the officer or employee
7 possesses the minimum qualifications for the position to which
8 transferred or appointed; and provided that subsequent changes
9 in status may be made pursuant to applicable civil service and
10 compensation laws.

11 An officer or employee of the State who does not have
12 tenure and who may be transferred or appointed to a civil
13 service position as a consequence of this Act shall become a
14 civil service employee without the loss of salary, seniority,
15 prior service credit, vacation, sick leave, or other employee
16 benefits or privileges and without the necessity of examination;
17 provided that such officer or employee possesses the minimum
18 qualifications for the position to which transferred or
19 appointed.

20 If an office or position held by an officer or employee
21 having tenure is abolished, the officer or employee shall not



1 thereby be separated from public employment, but shall remain in
2 the employment of the State with the same pay and classification
3 and shall be transferred to some other office or position for
4 which the officer or employee is eligible under the personnel
5 laws of the State as determined by the head of the department or
6 the governor.

7 SECTION 9. All appropriations, records, equipment,
8 machines, files, supplies, contracts, books, papers, documents,
9 maps, and other personal property heretofore made, used,
10 acquired, or held by the Hawaii state energy office relating to
11 the functions transferred to the energy division of the
12 department of business, economic development, and tourism shall
13 be transferred with the functions to which they relate.

14 SECTION 10. All rules, policies, procedures, guidelines,
15 and other material adopted or developed by the Hawaii state
16 energy office to implement provisions of the Hawaii Revised
17 Statutes that are reenacted or made applicable to energy
18 division of the department of business, economic development,
19 and tourism by this Act shall remain in full force and effect
20 until amended or repealed by the department of business,
21 economic development, and tourism pursuant to chapter 91, Hawaii



1 Revised Statutes. In the interim, every reference to the Hawaii
2 state energy office in those rules, policies, procedures,
3 guidelines, and other material shall be amended to refer to
4 energy division of the department of business, economic
5 development, and tourism.

6 PART III

7 SECTION 11. In accordance with section 9 of article VII,
8 of the Constitution of the State of Hawaii and sections 37-91
9 and 37-93, Hawaii Revised Statutes, the legislature has
10 determined that the appropriation contained in this Act will
11 cause the state general fund expenditure ceiling for fiscal year
12 2024-2025 to be exceeded by \$, or per cent. The
13 reasons for exceeding the general fund expenditure ceiling are
14 that the appropriation made in this Act is necessary to serve
15 the public interest and to meet the needs provided for by this
16 Act.

17 SECTION 12. There is appropriated out of the general
18 revenues of the State of Hawaii the sum of \$12,105,644 or so
19 much thereof as may be necessary for fiscal year 2024-2025 for
20 the energy division of the department of business, economic
21 development, and tourism.



1 The sum appropriated shall be expended by the department of
2 business, economic development, and tourism for the purposes of
3 this Act.

4 SECTION 13. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 14. This Act shall take effect on July 1, 2024.



Report Title:

DBEDT; HSEO; Energy Division; Chief Energy Administrator; Repeal Transfer; Expenditure Ceiling; Appropriation

Description:

Repeals the Hawaii State Energy Office and establishes the Energy Division of the Department of Business, Economic Development, and Tourism. Renames the Chief Energy Officer as the Chief Energy Administrator. Requires the Energy Division to establish a State Energy Plan. Transfers functions and makes conforming amendments. Declares that the general fund expenditure ceiling is exceeded. Makes an appropriation. (SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

