
A BILL FOR AN ACT

RELATING TO ENERGY.

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

PART I

SECTION 1. Chapter 196, Hawaii Revised Statutes, is amended by amending the title of part V to read as follows:

"~~[PART V.]~~ ~~HAWAII STATE~~ ENERGY ~~OFFICE~~ DIVISION"

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

"~~[§196-71]~~ ~~Hawaii state energy office,~~ Energy division; established. (a) There is established within the department of business, economic development, and tourism the ~~[Hawaii state energy office, which shall be a public body politic and an instrumentality and agency of the State. The office shall be placed within the department of business, economic development, and tourism for administrative purposes, pursuant to section 26-35.]~~ energy division. The purpose of the ~~[Hawaii state energy office]~~ energy division shall be to promote energy efficiency, renewable energy, and clean transportation to help achieve a resilient and affordable clean energy economy.



1 (b) The [~~Hawaii state energy office~~] energy division
2 shall:

3 (1) [~~Provide~~] Perform analysis and [~~planning~~] research to
4 actively develop plans and inform policies to achieve
5 energy efficiency, renewable energy, energy
6 resiliency, grid reliability, and clean transportation
7 goals that are established by statute or rule. The
8 division shall perform its work in collaboration with
9 the legislature[~~;~~]; public utilities commission[~~;~~];
10 other divisions within the department of business,
11 economic development, and tourism; state agencies[~~;~~];
12 and other relevant stakeholders;

13 (2) Lead efforts to incorporate energy efficiency,
14 renewable energy, energy resiliency, and clean
15 transportation to reduce costs or lead by
16 demonstration, and achieve clean energy goals across
17 all public facilities;

18 [~~3~~] ~~Provide renewable energy, energy efficiency, energy~~
19 ~~resiliency, and clean transportation project~~
20 ~~deployment facilitation to assist private sector~~



1 ~~project completion when aligned with state energy~~
2 ~~goals, and]~~

3 (3) Assist private sector projects addressing renewable
4 energy, energy efficiency, energy resiliency, and
5 clean transportation that are aligned with statutorily
6 mandated state energy goals, ensuring completion of
7 those projects expeditiously and in compliance with
8 guaranteed commercial operations dates;

9 (4) Engage the private sector to help lead efforts to
10 achieve renewable energy and clean transportation
11 goals through the Hawaii clean energy initiative[-]
12 program pursuant to section 196-10.5; and

13 (5) Lease lands, grant licenses, and grant easements to
14 private renewable energy producers or producers of
15 renewable fuels, renewable gas, hydrogen fuels,
16 hydrogen, or fuel cells; provided that any lease,
17 license, or easement shall be made through a request
18 for proposals or direct negotiation.

19 (c) The energy division may:



- 1 (1) Establish offtake agreements with private or utility
- 2 buyers of renewable energy or renewable fuels,
- 3 renewable gas, hydrogen, or fuel cells;
- 4 (2) Facilitate offtake agreements between producers and
- 5 buyers of renewable energy or renewable fuels,
- 6 renewable gas, hydrogen, or fuel cells; and
- 7 (3) Work through the public utilities commission to
- 8 establish rules for purposes of paragraphs (1) and
- 9 (2), as applicable.

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

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

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



- 1 state energy [~~office~~] goals [~~established in or~~
2 ~~pursuant to this part~~];
- 3 (2) Progress by the State in meeting its statutorily
4 mandated energy efficiency, renewable energy, and
5 clean transportation goals; [~~and~~]
- 6 (3) An annual updated energy plan to achieve those goals;
7 and
- 8 ~~[-3-]~~ (4) Proposed legislation~~[-]~~ to meet those goals, if
9 any."

10 SECTION 3. Section 196-72, Hawaii Revised Statutes, is
11 amended to read as follows:

- 12 "[~~+~~]§196-72[~~+~~] **Chief energy [~~officer~~] administrator of the**
13 **[~~Hawaii state energy office,~~] energy division; duties.** (a) The
14 [~~Hawaii state energy office~~] energy division shall be led by the
15 chief energy [~~officer, who shall be nominated and, by and with~~
16 ~~the advice and consent of the senate, appointed by the governor,~~
17 ~~provided that the term of the chief energy officer shall be~~
18 ~~coterminous with the term of the governor.~~] administrator who
19 shall be appointed by the director of business, economic
20 development, and tourism.
- 21 (b) The chief energy [~~officer~~] administrator shall have:



- 1 (1) Experience, knowledge, and expertise in policy,
2 programs, or services related to energy efficiency,
3 renewable energy, clean transportation, [~~and~~] energy
4 resiliency, and grid reliability related activities
5 and development; and
- 6 (2) Experience in a supervisory or administrative
7 capacity.
- 8 (c) The chief energy [~~officer~~] administrator shall hire
9 staff necessary to carry out the purposes of this part. The
10 chief energy [~~officer~~] administrator and employees of the
11 [~~Hawaii state energy office~~] energy division shall be exempt
12 from chapter 76 and shall not be considered civil service
13 employees but shall be entitled to any employee benefit plan
14 normally inuring to civil service employees.
- 15 (d) [~~Subject to the approval of the governor, the~~] The
16 chief energy [~~officer~~] administrator and the energy division
17 shall:
- 18 (1) Formulate, analyze, recommend, and implement specific
19 policies, strategies, and plans, in coordination with
20 public and private sector stakeholders, to cost-



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



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



- 1 (9) Develop and maintain a comprehensive and systematic
2 quantitative and qualitative capacity to analyze the
3 status of energy resources, systems, and markets, both
4 in-state and in other states and countries,
5 particularly in relation to the State's economy, and
6 to recommend, develop proposals for, and assess the
7 effectiveness of policy and regulatory decisions, and
8 energy emergency planning;
- 9 (10) Develop and recommend programs for, and assist public
10 agencies in the implementation of, energy assurance
11 and energy resilience;
- 12 (11) Support the development, evaluation, revision, and
13 adoption of energy-related codes and standards, land
14 use, leasing of land practices, and permitting
15 statutes and ordinances that advance the State's
16 energy goals;
- 17 (12) Act as the State's energy data clearinghouse by
18 identifying, collecting, compiling, analyzing,
19 publishing, and where possible, monetizing energy and
20 clean transportation data and analyses;



- 1 (13) Advocate for the State's energy [~~and decarbonization~~]
2 goals at relevant venues and departments, including
3 but not limited to the public utilities commission,
4 legislature, and division of consumer advocacy, to
5 ensure that state energy policies and regulations
6 align with the state strategic goals and are
7 data-driven;
- 8 (14) Support economic development, jobs, and innovation
9 initiatives related to and resulting from the State's
10 renewable energy [~~and distributed energy resources~~]
11 experience, capabilities, and data analyses;
- 12 (15) Facilitate the efficient, expedited [~~permitting of~~]
13 completion of private sector energy efficiency,
14 renewable energy, clean transportation, and energy
15 resiliency projects by:
- 16 (A) Coordinating and aligning state and county
17 departments and agencies to support, expedite,
18 and remove barriers to deployment of energy
19 initiatives and projects; [~~and~~]
- 20 (B) Identify [~~and~~], evaluate, coordinate, eliminate,
21 or resolve conflicting or onerous policies,



1 processes, and rules that unreasonably impede
2 project development and deployment and propose
3 regulatory, legislative, or administrative[7]
4 processes, or other solutions to applicable
5 stakeholders;

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

10 (D) Facilitate and expedite approvals and reviews for
11 permits, including permits for land leases or to
12 satisfy environmental or archeological
13 requirements;

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

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

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



- 1 (B) Strategies and actions for the one-, five-, ten-,
2 and fifteen-year forecasts for the annual
3 achievement of state energy policy goals;
- 4 (C) Strategies, tasks, and actions taken by the
5 energy division for one-, five-, ten-, and
6 fifteen-year forecasts for the annual achievement
7 of state energy policy goals;
- 8 (D) Annual reporting of the achievements made by the
9 State and its departments, divisions, branches,
10 and sections;
- 11 (E) Tasks taken in efforts to achieve state energy
12 policy goals;
- 13 (F) Evaluation of causes, effects, improvements, and
14 future actions necessary to compensate for any
15 changes to state energy policy goals;
- 16 (G) Identification of barriers to achievement of
17 state energy policy goals;
- 18 (H) Identification of policies needed to achieve
19 state energy policy goals;
- 20 (I) Status of land acquisition and leasing for
21 renewable energy projects and fuels;



- 1 (J) Reporting of how the State's departments,
- 2 divisions, branches, and sections have
- 3 specifically achieved or failed to achieve goals
- 4 and strategies; and
- 5 (K) Actions to assist the public and private sectors
- 6 with projects toward the achievement of the state
- 7 energy policy goals.

8 The state energy plan shall be completed by

9 December 31, 2024, and updated annually. The state

10 energy plan shall be submitted to the legislature and

11 be publicly available on the energy division's

12 website;

13 ~~[(17)]~~ (18) Prepare and submit an annual report on the

14 achievements of the energy division as to the

15 division's duties and energy plan and other reports as

16 may be requested ~~[to]~~ by the governor ~~[and to]~~ or the

17 legislature ~~[on the implementation of this part;]~~.

18 All reports by the energy division shall be publicly

19 available on the energy division's website;



1 ~~[(18)]~~ (19) Contract for services in accordance with state
2 procurement laws and rules when required for the
3 implementation of this part; and
4 ~~[(19)]~~ (20) Adopt rules, pursuant to chapter 91, for the
5 administration of this part."

PART II

7 SECTION 4. Section 196-81, Hawaii Revised Statutes, is
8 amended by amending the definition of "chief energy officer" to
9 read as follows:

10 "Chief energy ~~[officer]~~ administrator" means the chief
11 energy ~~[officer]~~ administrator of the ~~[Hawaii state energy~~
12 ~~office.]~~ energy division of the department of business, economic
13 development, and tourism."

14 SECTION 5. Act 226, Session Laws of Hawaii 2023, is
15 amended by amending sections 3 and 4 to read as follows:

16 "SECTION 3. (a) There is established a clean ground
17 transportation working group within the department of
18 transportation for administrative purposes.

19 (b) The working group shall:

20 (1) Develop metrics, benchmarks, plans, and
21 recommendations for the State to achieve the goals set



1 forth in sections 225P-5 and 225P-8(a), Hawaii Revised
2 Statutes;

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

6 (3) Coordinate with the State and applicable stakeholders
7 to pursue grants and other funding opportunities for
8 the State to achieve the goals set forth in sections
9 225P-5 and 225P-8(a), Hawaii Revised Statutes;

10 (4) Consider reducing vehicle miles travelled and demand
11 management; and

12 (5) Consider equity concerns, including economic and
13 accessibility impacts to low-income communities.

14 (c) The working group shall comprise the following:

15 (1) The director of transportation, or the director's
16 designee, who shall serve as co-chairperson of the
17 working group;

18 (2) The chief energy [~~officer~~] administrator of the
19 [~~Hawaii state energy office,~~] energy division of the
20 department of business, economic development, and
21 tourism, or the chief energy [~~officer's~~]



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



1 (2) Submit a final report on the progress made and
 2 recommendations for the State to achieve the goals set
 3 forth in sections 225P-5 and 225P-8(a), Hawaii Revised
 4 Statutes, including any proposed legislation, to the
 5 legislature no later than twenty days prior to the
 6 convening of the regular session of 2035.

7 (e) The working group shall cease to exist on January 1,
 8 2035.

9 SECTION 4. (a) There is established an interisland clean
 10 transportation working group within the department of
 11 transportation for administrative purposes.

12 (b) The working group shall:

13 (1) Develop metrics, benchmarks, plans, 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;

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

20 (3) Coordinate with other groups, agencies, and programs
 21 within and outside of the State that are developing



- 1 interim solutions to achieve long-haul zero-emissions
2 transportation, which may include lower-carbon
3 sustainable aviation fuels, hydrogen-based fuel, or
4 other potential options;
- 5 (4) Coordinate with stakeholders to identify not less than
6 fifteen possible transportation hubs throughout the
7 State with at least two in each county to support
8 innovative point-to-point or island-to-island
9 transportation options, including options such as
10 electric vertical takeoff and landing aircraft,
11 electric sea gliders, and other similar forms of
12 innovative zero-emissions technology;
- 13 (5) Develop recommendations for a coordinated package of
14 environmental review, infrastructure planning, and
15 other due diligence for fifteen sites throughout the
16 State that shall enable innovative transportation
17 operators to more easily deploy innovative options for
18 zero-emissions transportation;
- 19 (6) Coordinate with the State and applicable stakeholders
20 to pursue grants and other funding opportunities for



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



- 1 (5) The chairpersons of the senate and house of
2 representatives standing committees having primary
3 jurisdiction over transportation, or the chairpersons'
4 designees;
- 5 (6) The mayor of each county, or the mayor's designees,
6 who shall be invited by the working group to
7 participate; and
- 8 (7) Other relevant stakeholders, as recommended by the
9 working group.
- 10 (d) The working group shall:
- 11 (1) Submit annual interim reports to the commission of the
12 working group's activities performed, progress made,
13 and recommendations for the State to achieve the goals
14 set forth in sections 225P-5 and 225P-8(a), Hawaii
15 Revised Statutes, twenty days prior to the convening
16 of each regular session from 2024 to 2034; and
- 17 (2) Submit a final report of the progress made and
18 recommendations for the State to achieve the goals set
19 forth in sections 225P-5 and 225P-8(a), Hawaii Revised
20 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 6. Sections 125C-22, 125C-23, 125C-31, 141-9,
6 196-5, 196-6.5, 196-11, 196-30, 196-63, 196-83, 206M-23, 235-
7 110.32, 286-5, 286-172, 304A-1891, 304A-1892, and 304A-1894.1,
8 Hawaii Revised Statutes, are amended by substituting the term
9 "chief energy administrator" wherever the term "chief energy
10 officer" appears, as the context requires.

11 SECTION 7. Sections 76-16, 107-22, 125C-22, 125C-23, 125C-
12 31, 141-9, 196-5, 196-6.5, 196-11, 196-30, 196-32, 196-63, 201-
13 12.8, 206M-3, 206M-23, 206M-24, 225P-8, 235-110.32, 264-20.7,
14 269-72, 269-74, 286-5, 286-172, 291C-6, 304A-1891, 304A-1892,
15 304A-1894.1, and 304A-1969, Hawaii Revised Statutes, are amended
16 by substituting the term "energy division" wherever the term
17 "Hawaii state energy office" or "state energy office" appears,
18 as the context requires.

19 SECTION 8. All rights, powers, functions, and duties of
20 the Hawaii state energy office are transferred to the energy



1 division of the department of business, economic development,
2 and tourism.

3 All officers and employees whose functions are transferred
4 by this Act shall be transferred with their functions and shall
5 continue to perform their regular duties upon their transfer,
6 subject to the personnel laws of the State and this Act.

7 No officer or employee of the State having tenure shall
8 suffer any loss of salary, seniority, prior service credit,
9 vacation, sick leave, or other employee benefit or privilege as
10 a consequence of this Act, and each officer or employee may be
11 transferred or appointed to a civil service position without the
12 necessity of examination; provided that the officer or employee
13 possesses the minimum qualifications for the position to which
14 transferred or appointed; provided further that subsequent
15 changes in the officer or employee's status may be made pursuant
16 to applicable civil service and compensation laws.

17 An officer or employee of the State who does not have
18 tenure and who may be transferred or appointed to a civil
19 service position as a consequence of this Act shall become a
20 civil service employee without loss of salary, seniority, prior
21 service credit, vacation, sick leave, or other employee benefits



1 or privileges and without the necessity of examination; provided
2 that the officer or employee possesses the minimum
3 qualifications for the position to which transferred or
4 appointed.

5 If an office or position held by an officer or employee
6 having tenure is abolished, the officer or employee shall not
7 thereby be separated from public employment, but shall remain in
8 the employment of the State with the same pay and classification
9 and shall be transferred to another office or position for which
10 the officer or employee is eligible under the personnel laws of
11 the State as determined by the head of the department or the
12 governor.

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

20 SECTION 10. All rules, policies, procedures, guidelines,
21 and other material adopted or developed by the Hawaii state



1 energy office to implement provisions of the Hawaii Revised
2 Statutes that are reenacted or made applicable to energy
3 division of the department of business, economic development,
4 and tourism by this Act shall remain in full force and effect
5 until amended or repealed by the department of business,
6 economic development, and tourism pursuant to chapter 91, Hawaii
7 Revised Statutes. In the interim, every reference to the Hawaii
8 state energy office in those rules, policies, procedures,
9 guidelines, and other material shall be amended to refer to
10 energy division of the department of business, economic
11 development, and tourism.

12 PART III

13 SECTION 11. In accordance with section 9 of article VII,
14 of the Constitution of the State of Hawaii and sections 37-91
15 and 37-93, Hawaii Revised Statutes, the legislature has
16 determined that the appropriation contained in this Act will
17 cause the state general fund expenditure ceiling for fiscal year
18 2024-2025 to be exceeded by \$, or per cent.
19 The reasons for exceeding the general fund expenditure ceiling
20 are that the appropriation made in this Act is necessary to



1 serve the public interest and to meet the needs provided for by
2 this Act.

3 SECTION 12. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$2,664,394 or so much
5 thereof as may be necessary for fiscal year 2024-2025 for the
6 energy division of the department of business, economic
7 development, and tourism.

8 The sum appropriated shall be expended by the department of
9 business, economic development, and tourism for the purposes of
10 this Act.

11 SECTION 13. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

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



Report Title:

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

Description:

Renames the Hawaii State Energy Office as the Energy Division and makes it a division of the Department of Business, Economic Development, and Tourism. Renames the Chief Energy Officer as the Chief Energy Administrator. Clarifies the duties of the Energy Division. Transfers functions. Declares that the appropriation exceeds the state general fund expenditure ceiling for 2024-2025. Makes an appropriation. (SD2)

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

