

A Bill for an Act Relating to Energy.

Be It Enacted by the Legislature of the State of Hawaii:

PART I

SECTION 1. Renewable energy resources offer Hawaii important economic, environmental, and energy security benefits, especially since Hawaii's dependence on petroleum is the highest in the nation, accounting for approximately 90 per cent of the State's energy needs. This high petroleum dependence makes consumers extremely vulnerable to any oil embargo, supply disruption, international market dysfunction, and many other factors beyond Hawaii's control.

Recognizing the importance and economic and environmental benefits of increasing energy self-sufficiency, over the past four years, the legislature and the department of business, economic development, and tourism have committed to energy objectives geared toward achieving dependable, efficient, and economical statewide energy systems, increased self-sufficiency, greater energy security, and reduction of greenhouse gas emissions.

Act 272, Session Laws of Hawaii 2001, recognized the economic, environmental, and fuel diversity benefits of renewable energy resources and the need to encourage the establishment of a market for renewable energy in Hawaii using the State's renewable energy resources. Act 240, Session Laws of Hawaii 2006, provided a framework for energy self-sufficiency. The State has also committed to a renewable energy standard, where twenty per cent of electricity sold will be generated from renewable resources by the end of 2020 and has sought to encourage private sector development of renewable energy projects.

However, renewable energy projects are often complex, large-scale undertakings requiring a number of permits. The process for obtaining the necessary permits for renewable energy projects and developments and the process for meeting state, county, and federal regulations has for decades been described as overly time-consuming, cumbersome, onerous, and costly. In fact, the "Hawaii Integrated Energy Policy Report" of 1991 found that the permit and approval process required for the development and siting of energy facilities for a single project can take up to seven years to complete. Thus, the inefficiency of the permitting and development process acts as a barrier to meeting Hawaii's renewable energy goals.

Understanding that renewable energy projects can provide substantial and long-term benefits to the State and that development of renewable energy projects would further state policies of developing indigenous renewable energy resources and decreasing Hawaii's dependency on imported fossil fuels, the legislature finds that there is a need to streamline the permitting process to provide predictability and to encourage private companies to commit substantial amounts of capital, time, and effort necessary to develop such projects. Towards these ends the legislature also recognizes that investment in additional personnel is essential.

The purpose of this part is to establish a full-time, temporary renewable energy facilitator position in the department of business, economic development, and tourism.

SECTION 2. Chapter 201, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§201-A Renewable energy facilitator; establishment; duties. (a) There is established within the department of business, economic development, and tourism the position of renewable energy facilitator, which shall be a full-time, temporary

position exempt from chapters 76 and 89. The renewable energy facilitator shall possess a requisite level of knowledge and expertise in the areas of renewable energy, state and county permitting processes, and management necessary to carry out the duties of the position.

- (b) The renewable energy facilitator shall have the following duties:
 - (1) Facilitate the efficient permitting of renewable energy projects;
 - (2) Initiate the implementation of key renewable energy projects by permitting various efficiency improvement strategies identified by the department;
 - (3) Administer the day-to-day coordination for renewable energy projects on behalf of the department and the day-to-day operations of the renewable energy facility siting process established in H.B. No. 2863, C.D. 1,¹ Regular Session of 2008; and
 - (4) Submit periodic reports to the legislature on renewable energy facilitation activities and the progress of the renewable energy facility siting process.
- (c) The renewable energy facilitator position shall be funded by the energy security special fund.”

PART II

The purpose of this part is to provide additional resources for the energy initiatives to carry out Hawaii’s long-term energy strategy through a new energy security special fund in order to secure a sustainable energy future for Hawaii.

SECTION 3. Chapter 201, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§201-B Energy security special fund; uses. (a) There is created within the state treasury an energy security special fund, which shall consist of:

- (1) Moneys appropriated to the fund by the legislature;
 - (2) All interest attributable to investment of money deposited in the fund; and
 - (3) Moneys allotted to the fund from other sources.
- (b) Moneys from the fund shall be expended by the department of business, economic development, and tourism for the following purposes and shall be used for no other purposes except for those set forth in this section:
- (1) To support its energy program, including projects that ensure dependable, efficient, and economical energy, promote energy self-sufficiency, and provide greater energy security for the State; and
 - (2) To fund the renewable energy facilitator pursuant to section 201-A and any other positions necessary for the purposes of paragraph (1) as determined by the legislature.”

SECTION 4. Section 128D-2, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) Moneys from the fund shall be expended by the department for response actions and preparedness, including removal and remedial actions, consistent with this chapter; provided that the revenues generated by the “environmental response tax” and deposited into the environmental response revolving fund:

- (1) Shall also be used:
 - (A) For oil spill planning, prevention, preparedness, education, research, training, removal, and remediation; ~~and~~
 - (B) For direct support for county used oil recycling programs; and

- (C) For deposit into the energy security special fund, established under section 201-B, as may be appropriated by the legislature; and
- (2) May also be used to support environmental protection and natural resource protection programs, including but not limited to energy conservation and alternative energy development, and to address concerns related to air quality, global warming, clean water, polluted runoff, solid and hazardous waste, drinking water, and underground storage tanks, including support for the underground storage tank program of the department and funding for the acquisition by the State of a soil remediation site and facility.”

SECTION 5. On July 1, 2008, the director of finance shall transfer from the environmental response revolving fund the sum of \$112,000 to the energy security special fund for expenditure as authorized under section 201-B, Hawaii Revised Statutes.

SECTION 6. There is appropriated out of the energy security special fund the sum of \$112,000 or so much thereof as may be necessary for fiscal year 2008-2009 for one (1.00 FTE) full-time, temporary renewable energy facilitator.

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

PART III

SECTION 7. In codifying the new sections added by sections 2 and 3 of this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in designating the new sections in this Act.

SECTION 8. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.²

SECTION 9. This Act shall take effect on July 1, 2008.
(Approved July 1, 2008.)

Notes

1. Act 207.
2. Edited pursuant to HRS §23G-16.5.