

ACT 186

H.B. NO. 794

A Bill for an Act Relating to Energy at the University of Hawaii.

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

SECTION 1. Act 99, Session Laws of Hawaii 2015, established a long-term goal for the University of Hawaii to reduce energy consumption and energy bills to net-zero, and encouraged “the use of innovative means of energy-savings financing to reduce taxpayer costs for . . . energy efficiency projects.”

Green revolving funds are an innovative and proven mechanism for universities and other large institutions to reduce operating costs and environmental impact while promoting education and engaging stakeholders. A green revolving fund is an internal fund that provides a direct source of capital to implement energy efficiency, renewable energy, and other sustainability projects that generate cost savings. These savings are tracked and used to replenish the fund for the next round of green investments, thus establishing a sustainable funding cycle while reducing operating costs and environmental impact.

The legislature finds that the University of Hawaii needs a mechanism to track savings realized from energy efficiency and renewable energy projects and reinvest them into additional cost-saving measures that reduce energy consumption to support this long term goal.

The purpose of this Act is to address a statewide concern by:

- (1) Creating a green special fund to collect and expend revenues that will harness savings realized from energy efficiency investments and other sources of revenue to reinvest into further measures to reduce energy consumption and operating costs towards achieving the University of Hawaii’s net-zero energy goal; and
- (2) Requiring the University of Hawaii to submit an annual report to the legislature on the money in the green special fund.

SECTION 2. Chapter 304A, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§304A- University of Hawaii green special fund. (a) There is established the University of Hawaii green special fund, into which may be deposited:

- (1) Savings realized by the university from energy conservation measures;

ACT 186

- (2) Investment earnings, gifts, donations, or other income received by the University of Hawaii;
- (3) Any rebates, grants, or incentives associated with energy conservation measures;
- (4) Capital appropriations for energy conservation measures;
- (5) Until June 30, 2020, funds from any special or revolving fund established to fund energy conservation measures projects at the University of Hawaii; and
- (6) Proceeds from University of Hawaii revenue bonds.

(b) Moneys in the University of Hawaii green special fund shall be used to support energy efficiency, renewable energy, and sustainability projects and services including personnel, equipment costs, project costs, and other expenses, as well as planning, design, and implementation of sustainability projects for the benefit of the university; provided that any expenditure equal to or greater than \$167,000 shall require the approval of the legislature.

(c) The chief financial officer of the University of Hawaii shall manage the University of Hawaii green special fund and shall have the authority to garner monetary savings realized from campus energy conservation measures projects.

(d) The University of Hawaii may also transfer other funds into the University of Hawaii green special fund to offset the costs and expenses associated with sustainability initiatives at the University of Hawaii.

(e) The University of Hawaii shall submit a report to the legislature on the moneys deposited into the University of Hawaii green special fund, including:

- (1) An explanation of how savings were calculated;
- (2) A review of all the revenues deposited;
- (3) A review of the rebates, grants, or incentives received; and
- (4) A review of any other funds that may have been transferred,

no later than twenty days prior to the convening of each regular session.”

SECTION 3. New statutory material is underscored.¹

SECTION 4. This Act shall take effect on July 1, 2017.

(Approved July 11, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.