

ACT 57

H.B. NO. 957

A Bill for an Act Relating to Heat Abatement.

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

SECTION 1. The legislature finds that \$100,000,000 was appropriated for the department of education's heat abatement program in 2016. To advance

Hawaii's clean energy goals, the legislature also required the department of education to establish a goal of being net-zero with respect to energy use by January 1, 2035. The legislature further required the department, and any contractor hired to implement classroom cooling measures by the department, to maximize energy efficiency, installation, and operating cost savings over the entire life of heat abatement projects.

The legislature additionally finds that while \$100,000,000 was intended to fund heat abatement upgrades for at least one thousand public school classrooms, an estimated six thousand additional classrooms are in need of heat abatement improvements. With contractors bidding in excess of \$80,000 per classroom on department of education cooling projects after the \$100,000,000 was appropriated, providing funds for continuing heat abatement and energy efficiency upgrades throughout the state's public school system remains a high priority for public education policy.

The purpose of this Act is to expedite and enable the cooling of all public school classrooms to a temperature conducive to student learning by implementing energy efficiency measures to substantially reduce energy consumption and lower kW load, which may allow classrooms earmarked for the "cool the schools" initiative to install air conditioners without requiring expensive and time consuming electrical upgrades, while reducing energy expenses for the department of education, which will increase the availability of state funds for other investments in education or related programs or to help offset the additional expected kW consumption of air conditioners. This Act provides that moneys in the Hawaii green infrastructure special fund may be used for loans to finance the installation costs for energy-efficient lighting and other energy-efficiency measures related to heat abatement at public schools.

SECTION 2. Section 196-65, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) Moneys in the Hawaii green infrastructure special fund may be used, subject to the approval of the public utilities commission, for the purposes of:

- (1) Making green infrastructure loans[;], including for installation costs for energy-efficient lighting and other energy-efficiency measures related to heat abatement at public schools;
- (2) Paying administrative costs of the Hawaii green infrastructure loan program;
- (3) Paying any other costs related to the Hawaii green infrastructure loan program; or
- (4) Paying financing costs, as defined in section 269-161, to the extent permitted by the public utilities commission in a financing order issued pursuant to section 269-163."

SECTION 3. There is appropriated out of the Hawaii green infrastructure special fund the sum of \$46,400,000 or so much thereof as may be necessary for fiscal year 2017-2018 for the purpose of financing the installation costs for energy-efficient lighting and other energy efficiency measures related to heat abatement at public schools.

The sum appropriated shall be expended by the Hawaii green infrastructure authority for the purposes of this Act.

SECTION 4. The department of education, with the approval of the governor, is authorized to borrow the sum of \$46,400,000 or much thereof as may be necessary for fiscal year 2017-2018 from the green infrastructure loan

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program for the purposes of this Act upon such terms and conditions as are agreed to between the department of education and the Hawaii green infrastructure authority; provided that the loan shall be issued free of interest charges.

SECTION 5. The department of education shall submit an expenditure plan to the Hawaii green infrastructure authority executive director, who shall serve as the fiscal administrator for the loan issued pursuant to section 4 and may make payment on behalf of the department of education, as appropriate, upon submission of requests for payment from the department of education.

SECTION 6. Beginning with fiscal year 2017-2018, the department of education shall begin to repay the loan pursuant to section 4 using general revenue savings resulting from reduced utility costs as a result of the implementation of energy efficient lighting and other energy efficiency measures.

SECTION 7. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 8. This Act shall take effect on July 1, 2017.

(Approved June 22, 2017.)