



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

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Senate Committee on Ways and Means
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HB 794 HD1 SD1 – RELATING TO ENERGY AT THE UNIVERSITY OF HAWAII

Chair Tokuda, Vice Chair Dela Cruz, and members of the committee:

Thank you for the opportunity to submit testimony on HB 794 HD1 SD1. The University of Hawai'i ("University") supports this measure which establishes a green special fund within the University to reduce energy consumption and costs. This bill will facilitate a sustainable means of financing energy efficient and other sustainability projects at the University that will ultimately improve energy performance, reduce operating costs, and modernize our facilities.

Green Revolving Funds ("GRFs") are prominent across many colleges and universities dedicated to addressing sustainable facilities, operations and behaviors. These funds are typically managed by the university to fund energy-efficient projects, reduce resource use, and other sustainable efforts which repays the GRFs either through savings realized by the project or other sources of income.

GRFs have gained momentum across the nation. According to the Association for the Advancement of Sustainability in Higher Education, there are at least 85 universities that use GRFs as part of their sustainability programs.

Last year, the University of Hawai'i formally established the Office of Energy Management ("OEM"). In addition to supporting smaller campus initiatives, the OEM has taken on a larger effort to holistically tackle the high energy consumption across all ten campuses. To assist in this effort, a green special fund is necessary to support multiple methods of financing (including internal loans, other special funds, and private donations) and the repayment of debt service from special funds, private donations, and energy rebates. Establishment of a green special fund at the University will also ensure that funding dedicated to sustainability initiatives are used for that particular purpose and, more importantly, ensure that any savings from the investment be reinvested toward other sustainable projects.

There is strong student support for this initiative as well. In August 2015, the Associated Students of the University of Hawai'i ("ASUH") passed a resolution in support of a Green Revolving Fund, saying that *"ASUH acknowledges the growing concern our university's*

infrastructure faces and believes that sustainability projects that reduce operational costs is integral in improving both the fiscal nature of this university along with its environment”.

The student resolution further states that *“ASUH hopes the GRFs would serve as an example for organizations and departments on this campus to lead best business practices to not only save money, but to also further promote sustainability in a fiscally responsible manner”.*

The green special fund advanced by HB 794 HD1 SD1 will improve fiscal management, increase transparency, and support the University’s progress towards its Net Zero Energy mandate (Act 99, Session Laws of Hawaii 2015).

Lastly, the University of Hawai’i understands the current fiscal environment and knows the legislature has to make some very hard choices when it comes to funding programs in the state. In the event the legislature finds there are no funds available this fiscal year for HB 794, UH respectfully request that the appropriation language in Section 3 be removed from the bill and that the creation of the green special fund be passed with no moneys attached.

Thank you for the opportunity to testify in support of HB 794 HD1 SD1.