House Committee on Energy and Environmental Protection Friday, February 9, 2012 at 8:30 a.m. by Howard Todo Vice President for Budget and Finance/Chief Financial Officer University of Hawai'i

Testimony Presented Before the

HB 2121 – RELATING TO RENEWABLE ENERGY

Chair Coffman, Vice Chair Kawakami and members of the Committee:

HB 2121 prohibits state and county agencies from entering into an energy agreement or contract to install a renewable energy system with a private provider who has claimed the renewable energy technologies tax credit. Authorizes the issuance of general obligation bonds for renewable energy systems for state facilities. Effective July 1, 2012.

The University of Hawai'i does not support passage of HB 2121. The proposed limitation on departments or agencies of the State will negatively impact the University's ability to lower and/or stabilize utility costs. The University is currently in final negotiations for renewable energy projects, specifically power purchase agreements, that, when executed, will dramatically lower our cost per Kwh. Based on these agreements, if this proposed stature were enacted, it would more than double the cost per Kwh for these types of power purchase agreements.

Thank you for allowing me to present testimony on behalf of the University of Hawai'i.