
A BILL FOR AN ACT

RELATING TO ENERGY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that Hawaii, as the most
2 isolated and oil-dependent state in the nation, faces
3 particularly severe concerns regarding the security and costs of
4 its energy resources. Hawaii relies on imported petroleum for
5 the majority of its primary energy needs. Moreover, fuel must
6 be transported between islands, contributing to the nation's
7 highest costs for electricity and gasoline.

8 Alternative energy sources such as hydrogen can benefit the
9 state by, among other things:

- 10 (1) Promoting Hawaii's energy self-sufficiency by reducing
11 the state's reliance on imported fossil fuel;
- 12 (2) Improving the local economy by lowering energy costs
13 and generating new jobs associated with the expansion
14 of renewable energy technologies; and
- 15 (3) Reducing harmful emissions from fossil fuel-based
16 energy sources.

17 The purpose of this Act is to enhance Hawaii's energy
18 resources, improve the state economy, and reduce the state's



1 dependence on imported fossil fuel, by establishing a state
2 program and special fund to promote the use of renewable
3 hydrogen technologies.

4 SECTION 2. Chapter 196, Hawaii Revised Statutes, is
5 amended by adding two new sections to be appropriately
6 designated and to read as follows:

7 "§196- State program on renewable hydrogen. (a)

8 There is established within the department of business, economic
9 development, and tourism, a state program on renewable hydrogen
10 to manage the state's transition to a renewable hydrogen
11 economy. The program shall design, implement, and administer
12 activities that shall include:

13 (1) Strategic partnerships for the research, development,
14 testing, and deployment of renewable hydrogen
15 technologies;

16 (2) Engineering and economic evaluations of Hawaii's
17 potential for renewable hydrogen use and near-term
18 project opportunities for the state's renewable energy
19 resources;

20 (3) Electric grid reliability and security projects that
21 will enable the integration of a substantial increase



- 1 of electricity from renewable energy resources on the
2 island of Hawaii;
- 3 (4) Hydrogen demonstration projects, including
4 infrastructure for the production, storage, and
5 refueling of hydrogen vehicles;
- 6 (5) A statewide hydrogen economy public education and
7 outreach plan focusing on the island of Hawaii, to be
8 developed in coordination with Hawaii's public
9 education institutions;
- 10 (6) Promotion of Hawaii's renewable hydrogen resources to
11 potential partners and investors;
- 12 (7) A plan to maximize hydrogen technologies and
13 infrastructure capable of supporting the island of
14 Hawaii's energy needs, including:
- 15 (A) Expanded installation of hydrogen production
16 facilities;
- 17 (B) Development of integrated energy systems,
18 including hydrogen vehicles;
- 19 (C) Construction of additional hydrogen refueling
20 stations; and
- 21 (D) Promotion of building design and construction
22 that fully incorporates clean energy assets,



1 including reliance on hydrogen-fueled energy
2 generation.

3 (8) A plan to transition the island of Hawaii to a
4 hydrogen-fueled economy, and to apply that plan
5 throughout the state; and

6 (9) Evaluation of policy recommendations to:

7 (A) Encourage the adoption of hydrogen-fueled
8 vehicles;

9 (B) Continually fund the hydrogen technologies
10 special fund; and

11 (C) Support investment in hydrogen infrastructure,
12 including production, storage, and dispensing
13 facilities.

14 **§196- Hydrogen technologies special fund.** (a) There
15 is established the hydrogen technologies special fund, into
16 which shall be deposited:

17 (1) Appropriations to the fund made by the legislature;

18 (2) Contributions to the fund from all other sources; and

19 (3) All interest earned or accrued on moneys deposited in
20 the fund.



1 (b) Moneys in the fund shall be used to fund projects for
2 the research, development, testing, and deployment of renewable
3 hydrogen systems."

4 SECTION 3. There is appropriated out of the general
5 revenues of the State of Hawaii the sum of \$ or so much
6 thereof as may be necessary for fiscal year 2006-2007 for the
7 state program on renewable hydrogen.

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

11 SECTION 4. There is appropriated out of the general
12 revenues of the State of Hawaii the sum of \$ or so much
13 thereof as may be necessary for fiscal year 2006-2007 to be paid
14 into the hydrogen technologies special fund.

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

18 SECTION 5. There is appropriated out of the hydrogen
19 technologies special fund the sum of \$ or so much
20 thereof as may be necessary for fiscal year 2006-2007 to be used
21 for the purposes of the hydrogen technologies special fund.



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

4 SECTION 6. New statutory material is underscored.

5 SECTION 7. This Act shall take effect upon its approval;
 6 provided that sections 3, 4, and 5 of this Act shall take effect
 7 on July 1, 2006.

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Report Title:

State Program on Renewable Hydrogen; Hydrogen Technologies
Special Fund

Description:

Establishes the State Program on Renewable Hydrogen to manage the state's transition to a renewable hydrogen economy. Establishes the Hydrogen Technologies Special Fund to fund renewable hydrogen projects. Appropriates funds for the program and special fund.

