

Honolulu, Hawaii

Feb 10, 2006

RE: H.B. No. 3222  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 3222 entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

begs leave to report as follows:

The purpose of this measure is to establish:

- (1) A state renewable hydrogen program to manage the State's transition to a renewable hydrogen energy economy; and
- (2) A hydrogen technologies special fund to fund projects for the research, development, testing, and deployment of renewable hydrogen systems.

Your Committee has amended this measure by:

- (1) Setting forth, chronologically, the steps that this State has taken, to date, in advancing the deployment of renewable hydrogen energy systems;
- (2) Deleting the establishment of the hydrogen technologies special fund in chapter 196, Hawaii Revised Statutes, and establishing in its place the hydrogen investment capital special fund in chapter 211F, Hawaii Revised Statutes, to provide seed capital and venture capital funding for investments for the implementation of the Hawaii renewable hydrogen program in the State;



- (3) Directing the Natural Energy Laboratory Hawaii Authority, in partnership with the Department of Business, Economic Development, and Tourism, and Hawaii Natural Energy Institute, to evaluate and develop a distributed energy storage microgrid to "wheel" energy generated at the Puna Geothermal Ventures facilities to the Natural Energy Laboratory Hawaii Authority;
- (4) Directing the Public Utilities Commission to establish a five-year demonstration program for the distributed energy storage grid, utilizing the transmission facilities of the electrical public utility company on the island of Hawaii and ensuring that charges for the use of the transmission facilities and the energy generated by the Puna Geothermal Ventures are just and reasonable;
- (5) Requiring the Department of Business, Economic Development, and Tourism to submit annual reports to the Legislature on the operations of the demonstration project; and
- (6) Making technical nonsubstantive changes for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3222, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3222, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on  
behalf of the members of the  
Committee on Energy &  
Environmental Protection,



HERMINA MORITA, Chair



