

Honolulu, Hawaii

March 3, 2006

RE: H.B. No. 3222
H.D. 2

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

Sir:

Your Committee on Finance, to which was referred H.B. No. 3222, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

begs leave to report as follows:

The purpose of this bill is to encourage Hawaii to become a leader in the development of renewable hydrogen technologies and move the state toward a renewable hydrogen economy by:

- (1) Establishing the Hawaii Renewable Hydrogen Program (Program) to manage and plan for the State's transition to a renewable hydrogen economy;
- (2) Establishing the Hydrogen Investment Capital Special Fund (Hydrogen Special Fund) to seed private and federal projects for the deployment of hydrogen systems;
- (3) Appropriating an unspecified sum to fund the Program, and \$10,000,000 to fund the Hydrogen Special Fund;
- (4) Directing the Department of Business, Economic Development, and Tourism (DBEDT), Hawaii Natural Energy Institute, and Natural Energy Laboratory of Hawaii Authority (NELHA) to design a distributed energy storage microgrid demonstration project to transport energy to NELHA; and



917

- (5) Directing the Public Utilities Commission (PUC) to regulate the microgrid.

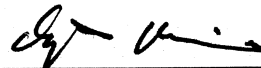
The Hawaii Center for Advanced Transportation Technologies and High Technology Development Corporation testified in support of this bill. The Hawaii Energy Policy Forum supported the measure in part. Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., Hawaii Electric Light Company, Inc., and Hawaii Natural Energy Institute of the University of Hawaii at Manoa supported the bill in part and commented. Rocky Mountain Institute supported the bill with amendments. DBEDT and the Consumer Advocate supported the intent of the bill. PUC and Puna Geothermal Venture provided comments.

Taking into consideration concerns and opposition by the testifiers in this and previous committee hearings, your Committee has amended this bill by removing the provision for a distributed energy storage microgrid system. Your Committee has also amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3222, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3222, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



DWIGHT TAKAMINE, Chair



State of Hawaii
House of Representatives
The Twenty-third Legislature

HSCR 917

Record of Votes of the Committee on Finance

Bill/Resolution No.: HB 3222 HD1	Date: 3-1-06			
Committee Referral: EEP, CPC, FIN	<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.			
The recommendation is to: <input type="checkbox"/> Pass, unamended <input checked="" type="checkbox"/> Pass, with amendments <input type="checkbox"/> Hold <input type="checkbox"/> Recommit				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. TAKAMINE, Dwight Y. (C)	✓			
2. KAWAKAMI, Bertha C. (VC)	✓			
3. CARROLL, Mele	✓			
4. CHONG, Pono	✓			
5. EVANS, Cindy	✓			
6. LEE, Marilyn B.	✓			
7. MAGAOAY, Michael Y.	✓			
8. NAKASONE, Bob	✓			
9. NISHIMOTO, Scott Y.	✓			
10. TANAKA, Kameo	✓			
11. TSUJI, Clift	✓			
12. WAKAI, Glenn	✓			
13. YAMANE, Ryan I.	✓			
14. YAMASHITA, Kyle T.	✓			
15. MEYER, Colleen Rose				✓
16. MOSES, Mark S.	✓			
17. PINE, Kymberly				✓
18. STEVENS, Anne V.	✓			
TOTAL	16			2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <div style="text-align: center; font-family: cursive; font-size: 24pt; margin-top: 10px;"> Bertha C. Kawakami </div>				
Distribution: Original (White) – Committee Duplicate (Yellow) – HMSO Duplicate (Pink) – Clerk's Office				