

Honolulu, Hawaii

**MAR 24 2006**RE: H.B. No. 2619  
S.D. 1

Honorable Robert Bunda  
President of the Senate  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committees on Energy, Environment, and International Affairs and Commerce, Consumer Protection, and Housing, to which was referred H.B. No. 2619 entitled:

"A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY,"

beg leave to report as follows:

The purpose of this measure is to ensure that electric utility companies are afforded an opportunity to earn a fair rate of return, rather than providing that their profit margins will not decrease as a result of any proposed utility rate-making structure.

The Department of Business, Economic Development, and Tourism; the Public Utilities Commission; the Department of Commerce and Consumer Affairs; the Office of Hawaiian Affairs; Honolulu Seawater Air Conditioning LLC; Hawaiian Electric Company Inc.; Hawaii Electric Light Company; Maui Electric Company; Rocky Mountain Institute; the Hawaii Energy Policy Forum; PowerLight Solar Electric Systems; the Sierra Club Hawaii Chapter; and the Hawaii Renewable Energy Alliance submitted testimony in support of this measure.

Your Committees find that the State needs to reduce its dependence on petroleum. One way to reduce our dependence on petroleum is to encourage the use of renewable fuels to power aircraft, seacraft, automobiles, and other motorized vehicles.

Your Committees amended this measure by:



- (1) Deleting all of the original provisions;
- (2) Amending section 237-27.1, Hawaii Revised Statutes, to extend the exemption of the proceeds of the sale of alcohol fuels from the general excise tax to December 31, 2009; and
- (3) Defecting the effective date to July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2619, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2619, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committees on Energy,  
Environment, and International  
Affairs and Commerce, Consumer  
Protection, and Housing,

  
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RON MENOR, Chair

  
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J. KALANI ENGLISH, Chair





