

Honolulu, Hawaii

FEB 17, 2006

RE: S.B. No. 3161
S.D. 1

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

Sir:

Your Committee on Energy, Environment, and International Affairs, to which was referred S.B. No. 3161 entitled:

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

begs leave to report as follows:

The purpose of this measure is to allow the Public Utilities Commission (PUC) to establish standards for each utility that prescribe what portion of the renewable energy standards must be met by specific types of resources, with at least fifty percent being met by specified energy sources.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, the PUC, Department of Commerce and Consumer Affairs, Rocky Mountain Institute, Hawaii Energy Policy Forum, Conservation Council for Hawaii, Hawaii Renewable Energy Alliance, and Hawaiian Electric Company, Inc. Testimony in opposition was received from Honolulu Seawater Air Conditioning LLC and Life of the Land.

Your Committee finds that it is in the State's interest to encourage the use of renewable fuels and support the development of renewable energy projects.

Upon further consideration, your Committee amended this measure by:


- (1) Deleting all of the original provisions;



- (2) Establishing a biofuel preference;
- (3) Establishing additional objectives and policies for state facility systems with regard to energy;
- (4) Establishing a renewable hydrogen program and hydrogen investment capital special fund; and
- (5) Appropriating funds to:
 - (A) Conduct a statewide multi-fuel biofuel production assessment;
 - (B) Assist the agricultural community interested in developing renewable energy projects;
 - (C) Create three permanent full-time equivalent positions, namely, a hydrogen program manager, hydrogen program specialist, and hydrogen project specialist; and
 - (D) Fund the hydrogen investment capital special fund.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3161, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3161, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Housing.

Respectfully submitted on
behalf of the members of the
Committee on Energy,
Environment, and International
Affairs,


J. KALANI ENGLISH, Chair



