

Honolulu, Hawaii

, 2006

FEB 17

RE: S.B. No. 3168

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

Sir:

Your Committees on Intergovernmental Affairs and Water, Land, and Agriculture, to which was referred S.B. No. 3168 entitled:

"A BILL FOR AN ACT RELATING TO THE DISPOSITION OF REAL PROPERTY,"

beg leave to report as follows:

The purpose of this measure is to allow each county to grant, sell, or otherwise dispose of easements for chilled water and seawater distribution systems for renewable energy seawater air conditioning district cooling systems by negotiation without public auction.

Hawaii Renewable Energy Alliance and Honolulu Seawater Air Conditioning LLC submitted testimony in support of this measure.

Your Committees find that easements for public utilities may be granted, sold, or otherwise disposed of by negotiation without public auction. Seawater air conditioning district cooling systems are exempt from public utility company regulation, so they are not classified as public utilities for the benefit of obtaining easements without public auction.

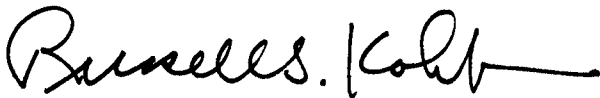
Your Committees further find that seawater air conditioning district cooling systems provide many public benefits, including helping the state and county governments reach energy policy goals and mandates. This measure will allow a county to grant, sell, or otherwise dispose of easements for chilled water and seawater distribution systems for renewable energy seawater air conditioning district cooling systems by negotiation without



public auction, thereby giving system developers a more expeditious and cost-effective way to obtain easements.

As affirmed by the records of votes of the members of your Committees on Intergovernmental Affairs and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3168 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committees on Intergovernmental Affairs and Water, Land, and Agriculture,



RUSSELL S. KOKUBUN, Chair



DAVID Y. IGE, Chair



