

Honolulu, Hawaii

May 1, 2007

RE: H.B. No. 1003  
H.D. 3  
S.D. 2  
C.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 1003, H.D. 3, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to facilitate the growth of the alternative fuel industry in the State and develop renewable energy resources to reduce its dependence on imported sources of energy.

Specifically, this measure:

- (1) Statutorily establishes the Hawaii Natural Energy Institute of the University of Hawaii at Manoa to:
  - (A) Research and develop renewable energy in coordination with government and private agencies;



- (B) Demonstrate efficient energy end-use technologies;
  - (C) Increase funding for research and development; and
  - (D) Submit annual reports to the Legislature; and
- (2) Creates the energy systems development special fund for developing an integrated approach and portfolio management for renewable energy and end-use energy-efficient technologies;
  - (3) Establishes the Hawaii biofuels program to manage the State's transition to energy self-sufficiency;
  - (4) Establishes the biofuels development revolving loan fund to assist public and private projects to research, establish, and implement the Hawaii biofuels program;
  - (5) Requires the Department of Business, Economic Development, and Tourism to develop a bioenergy master plan in consultation with representatives of the relevant stakeholders and submit an interim and final report to the 2008 and 2009 Regular Sessions of the Legislature, respectively; and
  - (6) Makes appropriations for the purposes of this measure.

Your Committee has amended this bill by:

- (1) Removing the environmental response fund as a source of funding for the energy systems development special fund;
- (2) Requiring the Hawaii natural energy institute to cooperate with and provide support for the evaluation panel in preparing its evaluation and reports to the Legislature concerning projects and activities funded by the energy systems development special fund;
- (3) Deleting section 4 which appropriates funds from the general revenues to the energy systems development special fund;
- (4) Deleting section 5 which appropriates funds out of the energy systems development special fund;



- (5) Removing the provisions creating the Hawaii biofuels program within the Department of Business, Economic Development, and Tourism;
- (6) Removing the provisions establishing the biofuels development revolving loan fund and appropriating moneys to and from the fund;
- (7) Specifies that the bioenergy master plan shall address:
  - (A) Strategic partnerships relating to biomass corps;
  - (B) Evaluation of the State's potential to rely on biofuels as a significant renewable energy resource;
  - (C) Biofuels demonstration projects;
  - (D) Promoting the State's renewable biofuels resources to potential partners and investors for development and export; and
  - (E) A plan or roadmap to implement commercially viable biofuels development.
- (8) Changing the appropriation for the development of a bioenergy master plan to \$300,000 for fiscal year 2007-2008;
- (9) Redesignation of section and part numbers consecutively; and
- (10) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1003, H.D. 3, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1003, H.D. 3, S.D. 2, C.D. 1.



Respectfully submitted on behalf  
of the managers:

ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE

*Ron Menor*

RON MENOR, Chair

*Norman Sakamoto*

NORMAN SAKAMOTO, Co-Chair

*Rosalyn H. Baker*

ROSALYN H. BAKER, Co-Chair

*Hermi Morita*

HERMINA MORITA, Co-Chair

*Jerry L. Chang*

JERRY L. CHANG, Co-Chair

*Mele Carroll*

MELE CARROLL, Co-Chair



