

STAND. COM. REP. NO.

283

Honolulu, Hawaii

Feb 9, 2007

RE: H.B. No. 1003
H.D. 1

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

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 1003 entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

begs leave to report as follows:

The purpose of this bill is to provide financial and other resources to encourage and facilitate renewable energy development.

More specifically, the first part of the bill statutorily establishes the Hawaii Natural Energy Institute of the University of Hawaii at Manoa and creates the energy development special fund for the development of renewable energy and energy efficient technologies.

The second part creates the biofuels development revolving loan fund, which will be administered by the Hawaii Strategic Development Corporation, and a renewable biofuels program within the Department of Business, Economic Development, and Tourism.

The Department of Business, Economic Development, and Tourism, the Hawaii Natural Energy Institute of the University of Hawai'i at Manoa, Hawaiian Electric Company, Inc., and ClearFuels Technology, Inc. submitted testimony in support of this bill. The Department of Budget and Finance offered comments.



Your Committee notes that the Hawaii Natural Energy Institute of the University of Hawaii-Manoa was previously established, by Act 235, Session Laws of Hawaii 1974, as a research unit at the University. This measure codifies the establishment, structure, and functions of the Hawaii Natural Energy Institute, defines the Institute's mission, and creates a special fund for use by the Institute, thus ensuring greater emphasis on and resources for development of renewable energy and energy efficient technologies.

Despite many efforts since the last major global oil crisis in the early 1970s, including groundbreaking legislation in 2006 to promote energy self-sufficiency of the State, Hawaii remains dependent upon oil imports for transportation fuels and power generation.

Your Committee believes that the creation of the energy development special fund and the biofuels development revolving loan fund is the best avenue to provide needed resources to encourage development of alternative energy resources and energy-efficient technologies in the foreseeable future.

Your Committee acknowledges that all affected agencies and stakeholders need to work together on a comprehensive strategy to achieve these goals, and your Committee Chair pledges to work with subsequent Committees to refine the provisions in part II of the bill. Your Committee has amended this bill to:

- (1) Clarify that energy efficiency end use technologies include those that address ameliorating peak demand;
- (2) Clarify the evaluation process for projects and activities funded by the energy systems development special funds; and
- (3) Make Technical nonsubstantive changes for purposes of style, clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1003, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1003, H.D. 1, and be referred to the Committee on Higher Education.



Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,



HERMINA MORITA, Chair



