

Honolulu, Hawaii

March 2, 2007

RE: H.B. No. 1003
H.D. 3

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

Sir:

Your Committee on Finance, to which was referred H.B. No. 1003, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

begs leave to report as follows:

The purpose of this bill is to facilitate the growth of the alternative fuel industry in the state by:

- (1) Statutorily establishing the Hawaii Natural Energy Institute of the University of Hawaii at Manoa (Institute) and a funding mechanism for the development of renewable energy and end-use energy-efficient technologies, including those that ameliorate peak demand problems;
- (2) Establishing the Hawaii Biofuels Program within the Department of Business, Economic Development, and Tourism to manage the state's transition to energy self-sufficiency; and
- (3) Requiring DBEDT to develop and prepare a bioenergy master plan.

Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., Maui Electric Company, Ltd., Hawaii Energy Policy Forum, University of Hawaii, and ClearFuels Technology, Inc.,



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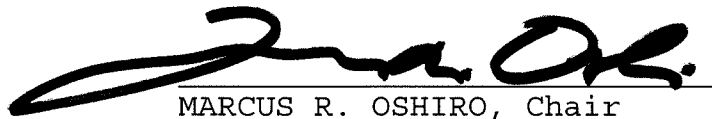
supported this bill. The Department of Budget and Finance, DBEDT, and the Public Utilities Commission (PUC) submitted comments.

Your Committee has amended this bill by:

- (1) Removing the provision that allowed a portion of any public benefit fees, established and approved by the PUC, to be placed into the Energy Systems Development Special Fund to support the operations of the Institute;
- (2) Changing the effective date to July 1, 2020, to facilitate further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

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

Respectfully submitted on
behalf of the members of the
Committee on Finance,



MARCUS R. OSHIRO, Chair



