

STAND. COM. REP. NO. 1438

Honolulu, Hawaii

March 23, 2007

RE: S.B. No. 987  
S.D. 1  
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 S.B. No. 987, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to encourage the development of renewable energy projects and reduce the State's dependency on imported fossil fuels.

Specifically, this measure:

- (1) Amends section 171-95, Hawaii Revised Statutes, by amending the definition of "renewable energy producer" to include producers of thermal energy from renewable energy resources to allow them to obtain leases of public lands without public auction; and
- (2) Allows 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 without public auction.

Your Committee has received testimony in support of this measure from the University of Hawaii at Manoa, College of Social Science's Hawaii Energy Policy Forum, the Hawaii Renewable Energy Alliance, and Honolulu Seawater Air Conditioning, LLC. The

SB987 HD1 HSCR LRB 07-3585-1.doc



Department of Land and Natural Resources submitted testimony supporting the intent of this measure.

Your Committee finds that the use of cold water or deep sea ocean water to generate thermal energy for use in air conditioning systems is a new form of renewable energy being introduced to this State. Your Committee further finds that the granting of easements for use in thermal energy air conditioning systems by the State and the various counties would require that the easements be granted following public auction. Your Committee also notes that while the Department of Land and Natural Resources may grant easements for renewable energy producers without public auction, these producers are limited to producers of electrical energy to be sold to an electrical public utility. Further, the counties' granting of easements without public auction are limited to governmental or public utility purposes. This measure attempts to address both of those concerns.

Your Committee is further concerned that the permitting process for renewable energy projects is an array of federal, state, and county land use, environmental, and related laws that is both time consuming and costly.

Accordingly, your Committee has amended this measure by:

- (1) Adding a new section to each of chapter 46, Hawaii Revised Statutes, relating to counties, and chapter 196, Hawaii Revised Statutes, relating to energy resources, to require all state and county agencies to provide priority handling and processing for permits required for renewable energy projects;
- (2) Amending section 226-18, Hawaii Revised Statutes, to make the priority handling and processing of all state and county permits required for renewable energy projects a stated policy in the Hawaii state plan; and
- (3) Making technical nonsubstantive changes for purposes of clarity and consistency.

Finally, it was brought to your Committee's attention from late testimony after action was taken on this measure that the disposition of an easement through negotiations may need to involve the disposition of improvements, such as appurtenances and facilities, located within the easement area. Therefore, it is



requested that the Committee on Water, Land, and Hawaiian Affairs further clarify this issue in section 3 of this measure.

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 S.B. No. 987, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 987, S.D. 1, H.D. 1, and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

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

*Hermina Morita*

---

HERMINA MORITA, Chair



