

Honolulu, Hawaii

APR 05 2007

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

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

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 1003, H.D. 3, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

begs leave to report as follows:

The purpose of this measure is to facilitate the growth of the alternative fuel industry in the State by encouraging increased diversity in the energy systems, reducing dependence on imported fuels, and introducing bioenergy resources into the overall energy system.

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 received comments in support of this measure from the Hawaii Natural Energy Institute of the University of Hawaii at Manoa, Hawaiian Electric Company, Inc. and its subsidiary utility companies, Hawaii Energy Policy Forum, and Honolulu Seawater Air Conditioning, LLC.

The Department of Business, Economic Development, and Tourism, the Department of Budget and Finance, the University of Hawaii Environmental Center, and the Hawaii Renewable Energy Alliance submitted comments on this measure.

Your Committee finds that Hawaii's environmental health and economic future depend on the development and widespread use of renewable energy technology. Your Committee believes that this measure will encourage the growth of a renewable and alternative energy industry in Hawaii by creating a framework for researching, developing, planning, implementing, and funding energy efficiency technologies.

Your Committee has amended this measure by:


- (1) Requiring the Hawaii Natural Energy Institute to work in coordination with, rather than coordinate the activities of, state and federal agencies, and private agencies;



- (2) Including state agencies with energy planning and policy analysis as a primary function and other relevant stakeholders as members of the advisory council;
- (3) Requiring the Hawaii Natural Energy Institute to work with the state energy resources coordinator to develop a plan of action to move Hawaii toward energy self-sufficiency; and
- (4) Making technical nonsubstantive amendments for purposes of clarity and style.

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

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,




ROSALYN H. BAKER, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1003 HD3, SDI	ENE/EDU, WAM	3/29/07		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
FUKUNAGA, Carol	/			
HOOSER, Gary L.	/			
KIM, Donna Mercado	/			
MENOR, Ron				/
TOKUDA, Jill N.	/			
HEMMINGS, Fred	/			
WHALEN, Paul	/			
TOTAL	10	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink				
File with Committee Report Clerk's Office Drafting Agency				

*Only one measure per Record of Votes