

Honolulu, Hawaii

May 1, 2007

RE: H.B. No. 226  
H.D. 2  
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. 226, H.D. 2, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO GREENHOUSE GAS EMISSIONS,"

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 bill to assess the amount of and reduce greenhouse gas emissions (emissions) in Hawaii by:

- (1) Requiring the Department of Health (DOH) to conduct an inventory of Hawaii emission sources and update the report by the Department of Business, Economic Development, and Tourism (DBEDT) and DOH entitled "Inventory of Hawaii Greenhouse Gas Emissions Estimates for 1990", dated July 1997;
- (2) Appropriating fund to enable the Hawaii Energy Policy Forum of the University of Hawaii to:
  - (A) Convene stakeholders to develop a coherent plan with an implementation timetable to reduce emissions; and



- (B) Analyze the effectiveness of the Global Warming Solutions Act of 2007 (Act), as devised in this bill to reduce emissions and propose modifications thereto to the Legislature prior to the implementation of the scoping plan for achieving the maximum technologically feasible and cost-effective reductions in emissions;

and

- (3) By implementing the Act that includes:
- (A) Requiring the Director of Health (Director) to determine statewide emissions as of 1990 and approve a statewide emissions limit to be achieved by 2020;
  - (B) Requiring the Director to establish emission limits and emission reduction measures within specified parameters to become operative on July 1, 2012;
  - (C) Requiring the Director to establish a system of market-based declining annual aggregate emission limits for sources or categories of sources that emit emissions, within specific parameters, to achieve the statewide emissions limit;
  - (D) Requiring the Director to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in emissions by 2020; and
  - (E) Provisions relating to reporting and verification of statewide emissions and monitoring and enforcement.

The ramifications of global warming requires a comprehensive approach in developing a statewide framework of action that incorporates Hawaii's unique needs and resources. Accordingly, your Committee on Conference has amended this bill by:

- (1) Declaring as a state policy that by January 1, 2020, Hawaii shall reduce emissions to levels at or below the best estimations and updates of the inventory of emission estimates for 1990;
- (2) Establishing the statewide emissions limit to be equal to or below the level of emissions in 1990;
- (3) Establishing a Greenhouse Gas Emissions Reduction Task Force (Task Force) that is required, before December 1, 2009, to prepare a work plan with specified objectives and a regulatory scheme for implementing the maximum practically and technically



feasible and cost-effective reductions in emissions to meet the State's declared policy;

- (4) Requiring the Task Force to submit reports to the Legislature, at specified times, relating to its work plan and regulatory scheme, together with proposed legislation, for achieving reductions in emissions for sources or categories of sources of emissions;
- (5) Requiring the Director to adopt rules, before December 31, 2011, relating to, among other matters:
  - (A) Establishing emission limits applicable to sources or categories of sources of emissions; and
  - (B) Reporting and verification of statewide emissions and monitoring and compliance;
- (6) Authorizing the Director to specify a schedule of fees to be paid by sources of emissions to be deposited into the Clean Air Special Fund; and
- (7) Appropriating \$500,000 for each of the fiscal years of 2007-2008 and 2008-2009.

Technical nonsubstantive amendments were also made for clarity, consistency, and style.

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. 226, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 226, H.D. 2, 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, Chair

  
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HERMINA MORITA, Co-Chair

  
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ROSALYN H. BAKER, Co-Chair



  
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MELE CARROLL, Co-Chair



Hawaii State Legislature

Record of Votes of a  
Conference Committee

CCP 136

Bill / Concurrent Resolution No.: HB 226, HD 2, SD 2					Date/Time: 4-27-07 9:00p						
<input checked="" type="checkbox"/> The recommendation of the House and Senate managers is to pass with amendments (CD). <input type="checkbox"/> The Committee is reconsidering its previous decision.											
<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.						
Senate Managers		A	WR	N	E	House Managers		A	WR	N	E
MENOR, Ron, Chr.		✓				MORITA, Hermina M., Co-Chr.		✓			
BAKER, Rosalyn H., Co-Chr.		✓				CARROLL, Mele, Co-Chr.		✓			
HOOSER, Gary L.		✓				THELEN, Cynthia		✓			
HEMMINGS, Fred					✓						
TOTAL		3	0	0	1	TOTAL		3	0	0	0
A = Aye		WR = Aye with Reservations			N = Nay			E = Excused			
Senate Recommendation is:						House Recommendation is:					
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted						<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted					
Senate Lead Chair's or Designee's Signature:						House Lead Chair's or Designee's Signature:					
											
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		File with Conference Committee Report		House Clerk's Office		Senate Clerk's Office		Drafting Agency			