

Honolulu, Hawaii

FEB 16 2007

RE: S.B. No. 1915
S.D. 1

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

Madam:

Your Committee on Energy and Environment, to which was referred S.B. No. 1915 entitled:

"A BILL FOR AN ACT RELATING TO HYDROGEN,"

begs leave to report as follows:

The purpose of this measure is to further the State's transition to energy independence by defining hydrogen as a transportation tool and allocating funds for the development of Hawaii's hydrogen industry.

This measure makes four unspecified appropriations for fiscal year 2007-2008 for the following purposes:

- (1) For a hydrogen public awareness campaign, including funding for a hydrogen convention to be hosted in 2008;
- (2) For the development of geothermal hydrogen production infrastructure on the island of Hawaii;
- (3) For the construction of at least three hydrogen demonstration refueling stations across the State; and
- (4) Funding for the diversification of the State automotive fleet by leasing up to twelve hydrogen powered vehicles and purchase of two hydrogen internal combustion engine vehicles.



Testimony in support of this measure was submitted by the Hawaii Automobile Dealers' Association, and Energy Research Systems. Testimony in support of the intent of the measure was submitted by the 15th Airlift Wing, Hickam Air Force Base. Comments were submitted by the Department of Business, Economic Development, and Tourism and The Gas Company.

Your Committee finds that Hawaii has the highest dependence on petroleum for its energy needs of all the states in the country. This dependence makes the State extremely vulnerable to any oil embargo, supply disruption, international market dysfunction, and other uncontrollable factors. It also has negative environmental consequences.

Your Committee further finds that Hawaii has abundant renewable energy resources, including solar, geothermal, wind, biomass, and ocean energy resources. Making use of these natural, renewable energy resources will increase the State's energy self-sufficiency while improving the State's environmental health.

Your Committee amended this measure to add the following activities to the Hawaii Renewable Energy Program:

- (1) Hydrogen research and development infrastructure projects, related to geothermal hydrogen production on the island of Hawaii, biomass hydrogen production on Maui and Kauai, and hydrogen production on Oahu;
- (2) Integration of the State's automotive fleet with hydrogen powered vehicles, and the establishment of standards for hydrogen fuel vehicles;
- (3) Establishment of a hydrogen public awareness campaign;
and
- (4) Advance the construction of hydrogen demonstration refueling stations throughout the State.

Your Committee further amended this measure to:

- (1) Substitute the requirement of integrating at least twelve hydrogen powered vehicles into the Hawaii Renewable Hydrogen Program law with a general requirement to integrate these vehicles into the State's



automotive fleet, however the appropriation for the twelve vehicles remains unchanged;

- (2) Amending the definition of "hydrogen," to specify it is to be produced from renewable energy sources to make it consistent with the purposes of the program, and deleting the provision defining it as a transportation fuel.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1915, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1915, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Energy and
Environment,

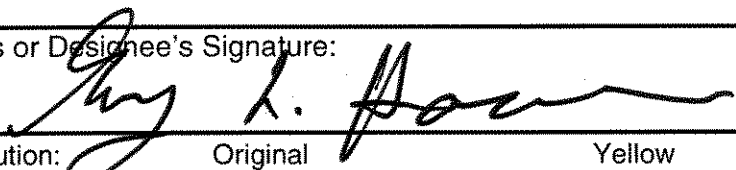


RON MENOR, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Energy and Environment
ENE

Bill / Resolution No.:* SB 1915	Committee Referral: ENE, WAM	Date: 2/13/07		
<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
MENOR, Ron (C)	✓			
HOOSER, Gary L. (VC)	✓			
IHARA, Jr., Les	✓			
KOKUBUN, Russell S.				✓
TRIMBLE, Gordon	✓			
TOTAL	4			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