

STAND. COM. REP. NO.

909

Honolulu, Hawaii

MAR 02 2007

RE: S.B. No. 1943  
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 Water, Land, Agriculture, and Hawaiian Affairs, to which was referred S.B. No. 1943, 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 encourage further production and use of biofuels in Hawaii.

Specifically, this measure:

- (1) Establishes biofuels processing facilities as a permitted use in designated agricultural districts under chapter 205, Hawaii Revised Statutes; and
- (2) Establishes an energy feedstock program within the Department of Agriculture to encourage the production of energy feedstock in Hawaii, and requires that a baseline percentage of energy feedstock to be grown in the State be established to meet the State's energy requirements.

Testimony in support of this measure was submitted by the Department of Agriculture; the Department of Business, Economic Development, and Tourism; the College of Tropical Agriculture and Human Resources, University of Hawaii; the Hawaiian Electric Company; Maui Electric Company; Hawaii Electric Light Company; the Hawaii Farm Bureau Federation; the Maui County Farm Bureau; and Hawai'i BioEnergy.



Your Committee finds that Hawaii's dependence on petroleum for about ninety per cent of its energy needs is more than any other state in the nation. This makes the State extremely vulnerable to any oil embargo, supply disruption, international market dysfunction, and many other factors beyond the control of the State. Furthermore, the continued consumption of conventional petroleum fuel negatively impacts the environment. At the same time, Hawaii has among the most abundant renewable energy resources in the world, in the form of solar, geothermal, wind, biomass, and ocean energy assets. Your Committee further finds that increased energy efficiency and use of renewable energy resources would increase Hawaii's energy self-sufficiency, achieving broad societal benefits, including increased energy security, resistance to increases in oil prices, environmental sustainability, economic development, and job creation.

The Department of Agriculture and the Department of Business, Economic Development, and Tourism suggested to your Committee that amendments be made to this measure to further encourage the production of energy feedstock in Hawaii and establish a specific time period when a majority of energy feedstock has to be grown in the State to effectively meet its energy requirements.

Accordingly, your Committee has amended this measure by:

- (1) Adding a provision under section 205-4.5(a)(15), Hawaii Revised Statutes, that the biofuels processing facilities and appurtenances be compatible with other agricultural uses and cause a minimal adverse impact on the designated agricultural district;
- (2) Adding a provision under section 205-4.5(a)(15), Hawaii Revised Statutes, that the majority of the feedstock from biomass and oil crops be grown in the State, as determined by the Department of Agriculture, and to allow the importation of feedstock and biofuels to fuel those facilities for an initial and non-renewable three-year period;
- (3) Clarifying that the Department of Agriculture is permitted to perform other functions and activities to establish and implement an energy feedstock program, including monitoring the compliance provisions under section 205-4.5(a)(15), Hawaii Revised Statutes; and



- (4) Making technical, nonsubstantive amendments for the purposes of style and consistency.

Your Committee believes that this measure, as amended, fulfills the intent of this measure, which is to encourage further production and use of biofuels in Hawaii.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1943, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1943, S.D. 2.


Respectfully submitted on  
behalf of the members of the  
Committee on Water, Land,  
Agriculture, and Hawaiian  
Affairs,

  
RUSSELL S. KOKUBUN, Chair



The Senate  
 Twenty-Fourth Legislature  
 State of Hawaii

**Record of Votes**  
**Committee on Water, Land, Agriculture and Hawaiian Affairs**  
**WAH**

Bill / Resolution No.:* <i>SB 1943 SD1</i>	Committee Referral: <i>ENE/TIA, WAH</i>	Date: <i>2/28/07</i>		
<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
KOKUBUN, Russell S. (C)	X			
TOKUDA, Jill N. (VC)	X			
FUKUNAGA, Carol				X
HEE, Clayton				X
SLOM, Sam	X			
<b>TOTAL</b>	<i>3</i>	<i>0</i>	<i>0</i>	<i>2</i>
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