

Honolulu, Hawaii  
**Feb 29**, 2008

RE: H.B. No. 2863  
H.D. 2

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2008  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2863, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this bill is to reduce Hawaii's dependence on fossil fuel by establishing an expedited review and approval process for obtaining state and county permits for the siting, development, construction, and operation of renewable energy facilities.

The Department of Business, Economic Development, and Tourism, Castle & Cooke Hawaii, and Imperium Renewables Hawaii, LLC supported this bill. The Department of Planning and Permitting of the City and County of Honolulu, and Sierra Club - Hawaii Chapter opposed this measure. The Department of Health (DOH), Public Utilities Commission (PUC), and Hawaii Renewable Energy Alliance submitted comments.

Your Committee has amended this bill by:

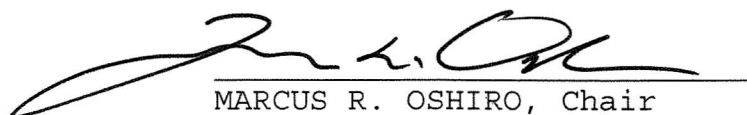
- (1) Defining "delegated environmental permit (DEP)" as an air or water quality permit subject to issuance by DOH under authority delegated by the U.S. environmental protection agency;



- (2) Excluding a DEP from the definition of a "state permit" thereby removing a DEP from the energy resources coordinator's (Coordinator) consolidated permitting powers;
- (3) Adding a new provision to ensure compliance with federal law which may not allow the transfer of the authority to issue air and water quality permits from DOH to the Coordinator by requiring the Coordinator to establish and implement a system to manage the issuance of DEPs by DOH with the approval of state and county permits for a renewable energy facility;
- (4) Clarifying PUC's authority over a "power purchase agreement" between a renewable energy facility and public utility by requiring that PUC expedite its review of a petition for approval of power purchase agreement and set a deadline for a decision and deleting provisions addressing an expedited process for approval of a "rate agreement" between the renewable energy facility and public utility. By making these amendments, your Committee intends that PUC have discretion over establishing an expedited process for the entire power purchase agreement, including its rate agreement portion; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2863, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2863, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Finance,

  
MARCUS R. OSHIRO, Chair



