

STAND. COM. REP. NO. 596 -08

Honolulu, Hawaii
Feb 15, 2008

RE: H.B. No. 3213

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

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 3213 entitled:

"A BILL FOR AN ACT RELATING TO AIR POLLUTION,"

begs leave to report as follows:

The purpose of this bill is to align financial incentives with policies that establish societal and sustainability goals such as clean air. This bill eliminates a disincentive to pollution by removing the 4,000-ton emissions cap for which fees are levied.

The Sierra Club Hawaii Chapter testified in support of this bill. The Department of Health opposed this measure.

Your Committee finds that the current system of assessing fees against a covered source permit holder on the basis of a cost-per-ton of regulated air pollutants produced by the covered source, with a cap of 4,000 tons per year, is counter-productive in decreasing air pollutants. The covered sources producing in excess of 4,000 tons per year of pollutants have no incentive to reduce their pollutant tonnage below the cap of 4,000 tons, the point at which maximum annual fees are charged. Further, the 4,000-ton per year cap is inequitable to smaller covered source permit holders. The amended fee schedule could add approximately \$220,000 in funds which can be used to advance policies and programs to further reduce air pollution and greenhouse gas emissions to the benefit of our state.

HB3213 HSCR EEP HMS 2008-2183



As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3213 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,

Hermina Morita

HERMINA MORITA, Chair



