

Honolulu, Hawaii

APR 04 2008

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

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committees on Commerce, Consumer Protection, and Affordable Housing and Ways and Means, to which was referred H.B. No. 2863, H.D. 2, S.D. 1, entitled:

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

beg leave to report as follows:

The purpose of this measure is to promote and encourage the development and use of renewable energy resources to create a more sustainable future for Hawaii by establishing a renewable energy siting process to expedite any applicable state and county permit processes that are necessary for the planning, development, and operation of a renewable energy facility.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism; the Department of Health; Castle & Cooke Hawaii; Imperium Hawaii; and the Hawaii Renewable Energy Alliance. Testimony in opposition to this measure was submitted by the Sierra Club, Hawai'i Chapter; and one private individual. One private individual submitted comments.

Hawaii has an abundant supply of renewable energy resources such as solar, geothermal, wind, and wave that can be use to lower the State's dependence on fossil fuels to generate its energy needs. Your Committees find that, for many years, the existing state and county permitting process has been identified as one of the key barriers to the development of renewable energy projects



in Hawaii. Establishing and implementing a means to assist both permitting agencies and project proponents by promoting permitting system efficiencies such as concurrent reviews and agency coordination will enable and encourage the development of renewable energy initiatives and projects in Hawaii.

Your Committees note the concerns regarding the lack of public input and participation from members of the community that will be affected by the development of a renewable energy facility in their community. Your Committees recognize that community sentiment and awareness are also key factors in the development of any new initiative or project that is proposed to be built in or near a community, and further find that opportunities for public engagement should be afforded and included in the plans for the development of a renewable energy facility.

Your Committees further note that H.B. No. 2505 (2008), as amended, will establish an Energy Security Special Fund into which will be deposited a portion of the State Environmental Response and Energy Security Tax on each barrel of petroleum product sold by a distributor to a retail dealer or end user. The moneys from the Energy Security Special Fund will be expended by the Department of Business, Economic Development, and Tourism for its energy programs, including projects that ensure dependable, efficient, and economical energy, promote energy self-sufficiency, and provide greater energy security for the State. Your Committees further find that the establishment of a renewable energy facility siting process falls under the purview of such energy programs and should be funded by using moneys from that special fund.

Accordingly, your Committees have amended this measure by:

- (1) Adding language that requires the Energy Resources Coordinator to hold a public meeting on the island in which the renewable energy facility will be built in order to:
 - (A) Allow members of the affected communities to provide input regarding the development of a renewable energy facility in or near their community;
 - (B) Promote public awareness of any plans for a renewable energy facility in the proposed area; and



- (C) Allow the Energy Resources Coordinator, the renewable energy facility developer or applicant, and any applicable permitting agency to gain public sentiment and input regarding the proposed project and to include that information in the plans for the development of a renewable energy facility;
- (2) Expanding the duties of the Energy Resources Coordinator to include the coordination of public meetings on the island that a renewable energy facility is proposed to be developed;
- (3) Changing the source of funding for the establishment and operation of the renewable energy facility siting process from a general fund appropriation to the Energy Security Special Fund established under H.B. No. 2505 (2008), as amended and enacted;
- (4) Adding language that requires the Energy Resources Coordinator to deposit into the Energy Security Special Fund, established under H.B. No. 2505 (2008), as amended and enacted, any unencumbered fees collected from the applicant; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and style.


As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Affordable Housing and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2863, H.D. 2, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2863, H.D. 2, S.D. 2.



Respectfully submitted on
behalf of the members of the
Committees on Commerce,
Consumer Protection, and
Affordable Housing and Ways and
Means,



ROSALYN H. BAKER, Chair



RUSSELL S. KOKUBUN, Chair



