

Honolulu, Hawaii

FEB 16 2007

RE: S.B. No. 982
S.D. 1

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

Madam:

Your Committees on Energy and Environment and Commerce, Consumer Protection, and Affordable Housing, to which was referred S.B. No. 982 entitled:

"A BILL FOR AN ACT RELATING TO A BIOENERGY MASTER PLAN,"

beg leave to report as follows:

The purpose of this measure is to encourage the development and use of bioenergy.

Specifically, this measure creates a Bioenergy Master Plan Task Force to develop and implement policies and procedures for a bioenergy industry in Hawaii and makes an appropriation to defray the expenses of the task force.

Testimony in support of this measure was submitted by the Department of Agriculture; Department of Business, Economic Development, and Tourism; University of Hawai'i System; Hawaiian Electric Company; Maui Electric Company; Hawaii Electric Light Company; Hawaii Energy Policy Forum; and Hawaii Renewable Energy Alliance. The Sierra Club, Hawai'i Chapter submitted testimony supporting the intent of the measure. Testimony in opposition to this measure was submitted by Life of the Land and Windward Ahupua'a Alliance. The State Procurement Office and Office of Information Practices submitted comments.

Your Committees find that the State must continue in its efforts to diversify its energy systems and reduce its dependence on imported petroleum. Successful diversification is dependent on



developing a comprehensive plan that addresses the complex set of issues pertaining to the technology and its resource requirements. The plan must also take measures to gain the support of public and private stakeholders.

Your Committees understand the concerns relating to biofuels, and notes that when planning, the energy expenditures in creating biofuel should be considered in relation to the decrease in emissions given off when used.

Your Committees find that by tasking the Department of Business, Economic Development, and Tourism (Department) with creating the master plan, the State can make better use its funds for necessary technical consultation.

Your Committees amended the measure to exclude the creation of the task force. Instead, the Department will have the responsibility of developing the bioenergy master plan and reporting to the Legislature. The measure was amended to require the Department to develop the master plan in consultation with representatives of diverse stakeholders. It is your Committees' strong intent that these representatives include the Hawaii Energy Policy Forum, environmental groups, and all other stakeholders. Your Committees have also eliminated the exemption from complying with chapter 103D, Hawaii Revised Statutes, the Hawaii Public Procurement Code. This was a concern mentioned by several testifiers.

The measure was further amended to change the appropriation from \$200,000, for each year of the 2007-2009 fiscal biennium to \$600,000, for the 2007-2008 fiscal year.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 982, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 982, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committees on Energy and
Environment and Commerce,
Consumer Protection, and
Affordable Housing,



BRIAN T. TANIGUCHI, Chair



RON MENOR, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Commerce, Consumer Protection and Affordable Housing
CPH

Bill / Resolution No.:* SB 982	Committee Referral: ENE/CPH, WAM	Date: 2/15/2007		
<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
TANIGUCHI, Brian T. (C)	✓			
IGE, David Y. (VC)	✓			
ESPERO, Will	✓			
IHARA, Jr., Les	✓			
SAKAMOTO, Norman				✓
SLOM, Sam	✓			
TOTAL	5			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center;"><i>David Y. Ige</i></div>				
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency				

*Only one measure per Record of Votes