

Honolulu, Hawaii

MAR 25 2009

RE: H.B. No. 1627
H.D. 2
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committee on Energy and Environment, to which was referred H.B. No. 1627, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS,"

begs leave to report as follows:

The purpose of this measure is to encourage development of cogeneration facilities by authorizing the issuance of up to \$40,000,000 in special purpose revenue bonds for Carbon Diversion Inc., or a partnership in which Carbon Diversion Inc. is a general partner, to establish cogeneration and related energy production facilities at various locations in the State.

Testimony in support of this measure was submitted by three private organizations. Comments were submitted by one state department. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that Carbon Diversion Inc. has developed a full-scale hybrid gasification carbonization process at Campbell Industrial park in Kapolei, which can reduce various organic feedstock and tires (non-fossil fuels) into carbon products and synthetic gas. Carbon Diversion Inc. anticipates expanding into other sites, including to the Big Island, allowing it to process, among other things, a range of organic streams from biomass green-wastes, including the invasive species "gorse", which will help to clear thousands of acres of infested pasture lands in Humuula on

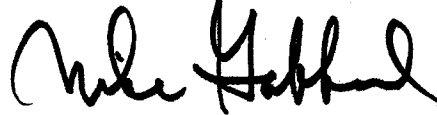


Mauna Kea. Your Committee finds that Carbon Diversion Inc.'s proposed facilities will result in a decrease in dependency on fossil fuels, landfills, transportation, and disposal costs, and can indirectly provide lower priced electrical energy, among other environmental and economic benefits.

Your Committee has amended this measure by making nonsubstantive, technical amendments for the purpose of accuracy.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1627, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1627, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Energy and
Environment,

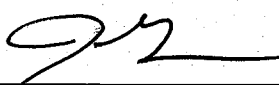


MIKE GABBARD, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Energy and Environment
ENE

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1627 HD2	ENE, WAM	3-17-9		
<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
GABBARD, Mike (C)	✓			
ENGLISH, J. Kalani (VC)	✗ 92			✓
GREEN, M.D., Josh	✓			
HOOSER, Gary L.	✓			
IHARA, Jr., Les	✓			
KOKUBUN, Russell S.				✓
HEMMINGS, Fred				✓
TOTAL	4	0	0	3
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes