

STAND. COM. REP. NO. 1079

Honolulu, Hawaii

March 20, 2009

RE: S.B. No. 1671
S.D. 1
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred S.B. No. 1671, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO FOSSIL FUELS,"

begs leave to report as follows:

The purpose of this measure is to prohibit the construction of new or expansion of existing fossil fuel-powered electrical generation facilities in the State.

Specifically, this measure:

- (1) Prohibits the Department of Health from issuing an air pollution permit for the construction or expansion of a fossil fuel-powered electricity-generating public utility with a rated capacity of more than two megawatts after July 1, 2009; and
- (2) Prohibits the Public Utilities Commission from approving an application by a public utility to construct a new fossil fuel-powered electrical generation facility with a rated capacity of more than two megawatts after July 1, 2009; and
- (3) Provides an exception to the foregoing prohibitions for an electrical utility cooperative association between July 1, 2009, and July 1, 2015.



Testimony in support of this measure was submitted by the Department of Health, the Hawaii chapter of the Sierra Club, and Blue Planet Foundation. Testimony in opposition to this measure was submitted by the Department of Business, Economic Development, and Tourism and Kauai Island Utility Cooperative. Comments were submitted by the Public Utilities Commission, Hawaiian Electric Company, Inc., and Life of the Land.

Your Committee finds that it is crucial to the clean energy future of the State to limit the expansion of fossil-fuel powered electricity generation. This will have the effects of reducing carbon emissions, increasing the use of renewable energy sources, and increasing the State's energy independence.

Your Committee has amended this measure by:

- (1) Deleting the prohibition against construction or expansion of covered sources from the State's air pollution control act, chapter 342B, Hawaii Revised Statutes;
- (2) Redrafting the provision prohibiting the Public Utilities Commission's approval of new electrical generation facilities as a new section in chapter 269, Hawaii Revised Statutes, rather than as part of provisions establishing renewable portfolio standards;
- (3) Creating a new section in chapter 196, Hawaii Revised Statutes, that prohibits any state or county agency from issuing a permit for the construction or operation of any new facility that produces electrical energy solely from the combustion of any type of fossil fuel;
- (4) Providing for exemptions to the foregoing prohibitions for extraordinary circumstances, as determined by the Public Utilities Commission, and when the electric generation unit is primarily used to serve the facility's own internal operation and has a rated capacity of less than two megawatts; and
- (5) Deleting the specific exemption from the prohibitions for electrical utility cooperative associations.



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 S.B. No. 1671, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1671, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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



HERMINA MORITA, Chair



State of Hawaii
House of Representatives
The Twenty-fifth Legislature

HSCR1079

Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.: SB 1671, SD1	Committee Referral: EEP, CPC, FIN	Date: 3-19-09 DE 3-17-09		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EEP Members	Ayes	Ayes (WR)	Nays	Excused
1. MORITA, Hermina M. (C)	✓			
2. COFFMAN, Denny (VC)	✓			
3. CABANILLA, Rida	✓			
4. CHANG, Jerry L.	✓			
5. CHONG, Pono	✓			
6. HAR, Sharon E.	✓			
7. HERKES, Robert N.	✓			
8. ITO, Ken	✓			
9. LEE, Chris	✓			
10. LUKE, Sylvia	✓			
11. SAGUM, Roland D., III	✓			
12. CHING, Corinne W.L.				✓
13. THIELEN, Cynthia				✓
TOTAL (13)	11	0	0	2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. _____ committee acronym(s)				
Vice Chair's or designee's signature: <u>Denny Coffman</u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				