

STAND. COM. REP. NO. 1274

Honolulu, Hawaii

March 27, 2009

RE: S.B. No. 50
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 Committees on Water, Land, & Ocean Resources and Energy & Environmental Protection, to which was referred S.B. No. 50, S.D. 1, entitled:

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

beg leave to report as follows:

The purpose of this bill is to:

- (1) Authorize the Board of Land and Natural Resources (Board) after at least two public hearings to lease public lands to renewable energy producers who provide certain indicators of the project's viability; and
- (2) Grant the renewable energy producer a right of first refusal upon the renewal of its lease.

The Department of Agriculture, Hawaii Cattlemen's Council, Inc., Maui Cattlemen's Association, Hu Honua Bioenergy, LLC, Tradewinds Forest Products, and several concerned individuals supported this bill. The Department of Land and Natural Resources, Department of Business, Economic Development, and Tourism, First Wind Energy, LLC, and several concerned individuals supported the intent of this bill. SunFuels Hawaii, LLC, and a concerned individual offered comments.

Your Committees have amended this bill by:

SB50 HD1 HSCR WLO-EEP HMS 2009-3362



- (1) Changing the criteria of a project's viability to require a description of the financial plan, rather than evidence of financial ability, and a description of acreage requirements that includes public and private land, rather than evidence that the producer has relied upon securing private land to the fullest reasonable extent;
- (2) Requiring that a lease to a renewable energy producer not result in the withdrawal of land from an existing lease of public lands that represents a 25 percent or more reduction in the productivity of the leased land;
- (3) Clarifying that the new provisions do not give the Board the right to terminate or impose new conditions on an existing lease of public land if the lessee is in compliance with the terms of the lease; and
- (4) Requiring only one public hearing, rather than two, prior to the lease of public land to a renewable energy producer.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 50, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 50, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Water, Land, &
Ocean Resources and Energy &
Environmental Protection,

Hermina Morita

HERMINA MORITA, Chair

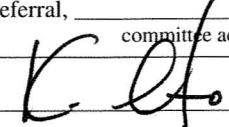
Ken Ito

KEN ITO, Chair



HSCR/274

Record of Votes of the Committee on Water, Land, & Ocean Resources

Bill/Resolution No.: SB 50, SD1	Committee Referral: WLO/EEP, FIN	Date: 3/24/09		
<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)				
WLO Members	Ayes	Ayes (WR)	Nays	Excused
1. ITO, Ken (C)	✓			
2. HAR, Sharon E. (VC)	✓			
3. CABANILLA, Rida	✓			
4. CHANG, Jerry L.	✓			
5. CHONG, Pono	✓			
6. COFFMAN, Denny	✓			
7. HERKES, Robert N.				✓
8. LEE, Chris	✓			
9. LUKE, Sylvia	✓			
10. MORITA, Hermina M.	✓			
11. SAGUM, Roland D., III	✓			
12. CHING, Corinne W.L.		✓		
13. THIELEN, Cynthia		✓		
TOTAL (13)	10	2		1
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: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				

