

STAND. COM. REP. NO.

2233

Honolulu, Hawaii

FEB 12 2010

RE: S.B. No. 2558  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Madam:

Your Committee on Energy and Environment, to which was referred S.B. No. 2558 entitled:

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

begs leave to report as follows:

The purpose of this measure is to restrict any new construction of or expansion of existing fossil-fueled, electricity-generating facilities unless the electric utility company can demonstrate compliance with the State's renewable energy portfolio standards.

Testimony in support of this measure was submitted by two organizations. One state agency, one organization, and one individual submitted comments. Testimony in opposition was submitted by one organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The State imports fifty million barrels of oil annually, eighty per cent of which is from foreign sources. More than 805,000 tons of coal is imported annually and together these two sources amount to ninety-two per cent of energy generation in the State. This heavy reliance on fossil fuels leaves the State vulnerable to the fluctuating global market, where in 2008 oil prices skyrocketed to \$140 per barrel. Your Committee finds that energy security and cost stability are dependent upon developing renewable energy sources in the State. A "no new fossil fuel" policy will serve as a backstop to prevent the State from failing to achieve our clean energy goals.

2010-1068 SSCR SMA-1.doc

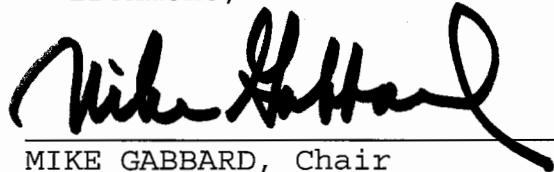


Your Committee has amended this measure by:

- (1) Exempting any retrofit or replacement of existing electricity-generating units designed to improve operational efficiency or to lower greenhouse gas emissions; and
- (2) Authorizing the Governor to exempt electricity-generating facilities from these restrictions if the Governor declares an emergency.

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 S.B. No. 2558, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2558, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

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



MIKE GABBARD, Chair



