

Honolulu, Hawaii

Feb 15 , 2012

RE: H.B. No. 2262
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committees on Energy & Environmental Protection and
Agriculture, to which was referred H.B. No. 2262 entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

beg leave to report as follows:

The purpose of this measure is to encourage development of
Hawaii's renewable energy industry by:

- (1) Creating the renewable fuel feedstock tax credit;
- (2) Expanding the ethanol facility income tax credit into
the renewable fuels facility tax credit, which applies
to various specified renewable fuels, including ethanol;
and
- (3) Reducing the aggregate amount of the renewable fuels
facility tax credit.

Hawaiian Electric Company and its subsidiaries, Maui Electric
Company and Hawaii Electric Light Company; H2 Technologies, Inc.;
Hawaii BioEnergy, LLC; the Blue Planet Foundation; and Pacific
West Energy, LLC, submitted testimony in support of this measure.
The Department of Agriculture submitted testimony in support of
the intent of this measure. The Department of the Attorney
General, the Department of Taxation, Tax Foundation of Hawaii, and
two individuals submitted comments on this measure.

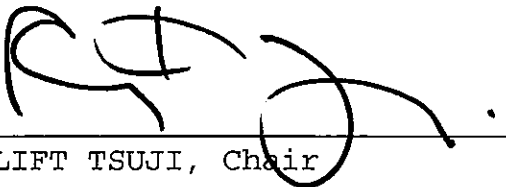


Your Committees have amended this measure by:

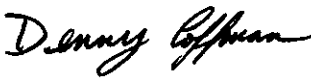
- (1) Removing the requirement that feedstock be grown or sourced in the State for purposes of claiming the renewable fuel feedstock tax credit;
- (2) Removing the requirement that a taxpayer be domiciled or based in the State to qualify for the renewable fuel feedstock credit;
- (3) Reducing the cap on the aggregate nameplate of qualifying renewable fuels production facilities for purposes of maintaining the renewable fuels facility tax credit from forty million gallons per year to thirty-five million gallons per year; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2262, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2262, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Energy &
Environmental Protection and
Agriculture,



CLIFT TSUJI, Chair



DENNY COFFMAN, Chair



State of Hawaii
House of Representatives
The Twenty-sixth Legislature

HSCR408-12

Record of Votes of the Committee on Agriculture

Bill/Resolution No.: HB 2262	Committee Referral: EEP/AGR, FIN	Date: 2/8/12		
<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)				
AGR Members	Ayes	Ayes (WR)	Nays	Excused
1. TSUJI, Clift (C)	✓			
2. HASHEM, Mark J. (VC)	✓			
3. AWANA, Karen L.				✓
4. BROWER, Tom				✓
5. CHOY, Isaac W.	✓			
6. EVANS, Cindy	✓			
7. McKELVEY, Angus L.K.				✓
8. NISHIMOTO, Scott Y.				✓
9. TOKIOKA, James Kunane	✓			
10. MARUMOTO, Barbara C.				✓
11. RIVIERE, Gil	✓			
TOTAL (11)	6	0	0	5
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ committee acronym(s) did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				