

Honolulu, Hawaii

FEB 17 2012

RE: S.B. No. 3003
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committees on Energy and Environment and Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs, to which was referred S.B. No. 3003 entitled:

"A BILL FOR AN ACT RELATING TO GEOTHERMAL RESOURCES,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Designate geothermal resources exploration and geothermal resources development as permitted uses in all state land use districts and all zones of the conservation district;
- (2) Repeal the geothermal resource subzone provisions in the state land use law; and
- (3) Exempt geothermal resources exploration from the requirements of the state environmental impact statement law.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Department of Business, Economic Development, and Tourism, Innovations Development Group, Indigenous Consultants LLC, Pacific Resources Partnership, and Hawaii Laborers' Union. Your Committees received testimony in opposition to this measure from the Office of Environmental Quality Control, Environmental Council, Sierra Club,



and one individual. Your Committees received comments on this measure from the University of Hawaii Environmental Center.

Your Committees find that regulatory barriers to geothermal resources exploration preclude development of geothermal resources. This measure will reduce the amount of time required to explore geothermal resources. Expediting the development of a firm source of renewable energy will benefit the public by reducing electricity rates throughout the State and particularly on Hawaii island in the near future.

Your Committees received testimony indicating that geothermal resources exploration may be eligible for an exemption from the preparation of an environmental assessment or environmental impact statement. The Office of Environmental Quality Control will review exemption applications this month. In light of the existence of the existing exemption process, your Committees find it unnecessary to exempt geothermal resources exploration from the state environmental impact statement law.

Your Committees have amended this measure by:

- (1) Deleting sections 2 and 7, which prohibited the Board of Land and Natural Resources and Department of Land and Natural Resources, respectively, from requiring an applicant for a geothermal resources exploration lease or permit to prepare an environmental assessment or environmental impact statement;
- (2) Deleting part V, which exempted geothermal resources exploration from the requirements of chapter 343, Hawaii Revised Statutes; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

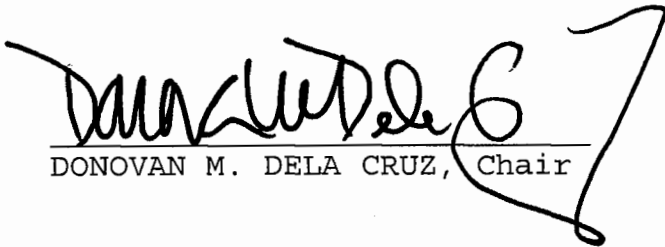
Your Committee on Energy and Environment voted four ayes and one nay in favor of the measure as amended because your Committee feels strongly that there should not be blanket exemptions to environmental review when there is a process for agencies to request approval of an exemption list from the Environmental Council. Whereas, members of your Committee on Water, Land, and Housing voted aye with reservations because they felt that exemptions would expedite and facilitate future geothermal projects. Members of your Committee on Public Safety, Government

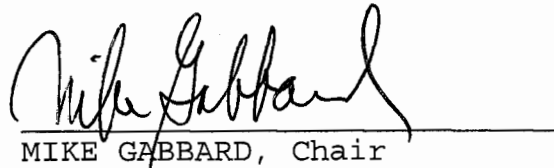


Operations, and Military Affairs voted unanimously in favor of this measure as amended.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3003, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3003, S.D. 1, and be referred to the Committees on Commerce and Consumer Protection and Ways and Means.

Respectfully submitted on behalf of the members of the Committees on Energy and Environment and Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs,


DONOVAN M. DELA CRUZ, Chair

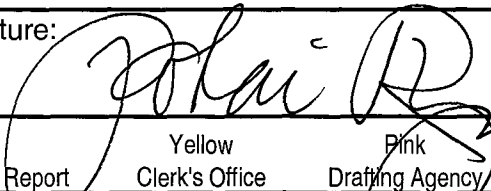

MIKE GABBARD, Chair


WILL ESPERO, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Water, Land and Housing
WLH

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2003	ENE / WLH / PGM, CPN / WAIL	2/14/12		
<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
DELA CRUZ, Donovan M. (C)	✓			
SOLOMON, Malama (VC)		✓		
FUKUNAGA, Carol	✓			
RYAN, Pohai	✓			
SHIMABUKURO, Maile				X
TOKUDA, Jill N.		✓		
SLOM, Sam			✓	
TOTAL	3	2	1	1
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

