

Honolulu, Hawaii
March 24, 2016

RE: S.B. No. 2131
S.D. 2
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred S.B. No. 2131, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

begs leave to report as follows:

The purpose of this measure is to restore the fuel license tax on naphtha fuels sold for use in a power-generating facility.

The Kauai Island Utility Cooperative supported this measure. The Department of Transportation supported the intent of the measure. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

Your Committee has amended this measure by, additionally:

- (1) Providing that any appropriations or other funds required by law to be deposited must be deposited into the High Technology Special Fund;
- (2) Authorizing the Director of Finance to issue \$3,000,000 in general obligation bonds for the development of an electrolysis process hydrogen production, storage, and dispensing facility;
- (3) Appropriating \$1,800,000 in general revenues for operating costs for an electrolysis process hydrogen production, storage, and dispensing facility; provided



that no funds can be made available, unless private enterprises or private entities provide matching funds on a dollar-for-dollar basis;

- (4) Temporarily raising the ceiling for the High Technology Special Fund to \$4,800,000 for fiscal year 2016-2017;
- (5) Requiring the High Technology Development Corporation to adopt rules in accordance with Chapter 91, Hawaii Revised Statutes, to enable the establishment, collection, and deposit into the High Technology Special Fund of fees imposed on the sale of hydrogen made commercially available at electrolysis process hydrogen production, storage, and dispensing facilities; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 2131, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2131, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

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



CHRIS LEE, Chair



State of Hawaii
House of Representatives
The Twenty-eighth Legislature

HSCR 1281-1b

Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.: SB 2131, SDZ	Committee Referral: EEP, FIN	Date: 3/22/16		
<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. LEE, Chris (C)	/			
2. LOWEN, Nicole E. (VC)	/			
3. CULLEN, Ty J.K.	/			
4. EVANS, Cindy	/			
5. ING, Kaniela	/			
6. NISHIMOTO, Scott Y.				/
7. SAY, Calvin K.Y.	/			
8. YAMANE, Ryan I.	/			
9. POUHA, Feki				/
10. THIELEN, Cynthia	/			
TOTAL (10)	8	0	0	2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 10pt;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u>Nicole E. Lowen</u>				
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