

Honolulu, Hawaii
April 8, 2016

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

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

Sir:

Your Committee on Finance, to which was referred S.B. No. 2131, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

begs leave to report as follows:

The purpose of this measure is to

- (1) Restore the fuel license tax on naphtha fuels sold for use in a power-generating facility;
- (2) Require that any appropriations or other funds required by law to be deposited into the High Technology Special Fund be accordingly deposited;
- (3) Authorize 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;
- (4) Appropriate \$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;



- (5) Temporarily raise the ceiling for the High Technology Special Fund to \$4,800,000 for fiscal year 2016-2017; and
- (6) Require 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.

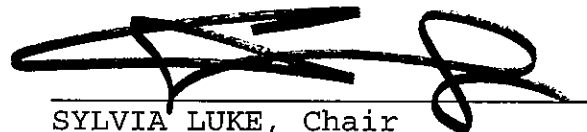
The Kauai Island Utility Cooperative supported this measure. The Department of Transportation provided comments on this measure.

Your Committee has amended this measure by:

- (1) Changing amounts for the authorized issuance of general obligation bonds, and general fund appropriations for development and operating costs, for an electrolysis process hydrogen production, storage, and dispensing facility to unspecified amounts;
- (2) Changing its effective date to July 1, 2030 to facilitate further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2131, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2131, S.D. 2, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,


SYLVIA LUKE, Chair



