

STAND. COM. REP. NO.

2412

Honolulu, Hawaii

FEB 19 2016

RE: S.B. No. 2947
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committees on Transportation and Energy and Economic Development, Environment, and Technology, to which was referred S.B. No. 2947 entitled:

"A BILL FOR AN ACT RELATING TO RENEWABLE HYDROGEN,"

beg leave to report as follows:

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and make an appropriation for the development of an electrolysis process hydrogen production, storage, and dispensing facility and appropriate funds for the operation of the facility.

Your Committees received testimony in support of this measure from the Department of Transportation, High Technology Development Corporation, Blue Planet Foundation, Servco Pacific Inc., and two individuals. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Budget and Finance; and The Alliance of Automobile Manufacturers.

Your Committees find that this measure supports the development of hydrogen infrastructure. Hydrogen transportation supports both the decarbonization of the transportation sector as well as being an enabler of increased penetration of intermittent renewable energy. This measure provides funding to initiate hydrogen production and dispensing, which are critical infrastructure required to support the fleet vehicle upgrades planned by the Department of Transportation's Airports Division.

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Your Committees have amended this measure by:

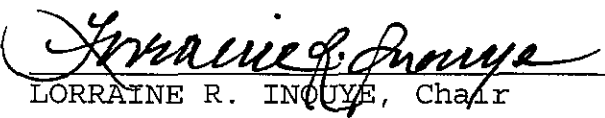
- (1) Authorizing the high technology special fund to receive appropriations and other funds required to be deposited by statute;
- (2) Requiring that appropriations made out of the high technology special fund for the development of an electrolysis process hydrogen facility be matched dollar-for-dollar by private enterprise or private entities; and
- (3) Requiring the High Technology Development Corporation to adopt administrative rules for the establishment, collection, and deposit into the high technology special fund of fees for the sale of certain commercially available hydrogen.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy and Economic Development, Environment, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2947, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2947, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Transportation
and Energy and Economic
Development, Environment, and
Technology,



GLENN WAKAI Chair



LORRAINE R. INOUE, Chair



