STAND. COM. REP. NO. 1779 -18

Honolulu, Hawaii

MAR 20 , 2018

RE: S.B. No. 3077

S.D. 2

Honorable Scott K. Saiki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2018 State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred S.B. No. 3077, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO BIOFUELS,"

begs leave to report as follows:

The purpose of this measure is to further the State's efforts in achieving its clean energy goals by:

- (1) Temporarily expanding the definition of "renewable feedstocks" that qualify for the Renewable Fuels Production Tax Credit (Tax Credit) to include logs, wood chips, wood pellets, wood bark, and other renewable organic materials;
- (2) Temporarily reducing the minimum production requirement to qualify for the Tax Credit from 15,000,000,000 British thermal units to 2,500,000,000 British thermal units;
- (3) Temporarily increasing the annual Tax Credit cap from \$3,000,000 to \$3,500,000;
- (4) Making the Tax Credit permanent; and

(5) Establishing within the Department of Business, Economic Development, and Tourism the position of Renewable Fuel Facilitator.

The Oahu County Committee on Legislative Priorities of the Democratic Party of Hawaii, Hawaii Gas, Hawaii Energy Policy Forum, Honua Ola Bioenergy LLC, Hawaii Bioeconomy Trade Organization, and several concerned individuals supported this measure. A concerned individual opposed this measure. The Department of Business, Economic Development, and Tourism, Department of Taxation, Life of the Land, and Tax Foundation of Hawaii submitted comments on this measure.

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. 3077, S.D. 2, and recommends that it pass Second Reading 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-ninth Legislature

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Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.:	Committee Referral:	Date:		
SB 3077, SD2	EEP, FIN	7, FIN 3-13-18		
The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold 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.				
A VONC Som Sotony				
4. KONG, Sam Satoru				
5. McKELVEY, Angus L.K.				
6. TODD, Chris				
7. YAMANE, Ryan I.				
8. MCDERMOTT, Bob				
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TOTAL (8)	7	0	0	1
The recommendation is: Adopted				
If joint referral, did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				