

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, Hawai'i 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



