

Honolulu, Hawaii

**MAR 24**, 2022

RE: S.B. No. 3229  
S.D. 2  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-First State Legislature  
Regular Session of 2022  
State of Hawaii

Sir:

Your Committee on Higher Education & Technology, to which was referred S.B. No. 3229, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO GEOTHERMAL ROYALTIES,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Cap the amount of geothermal royalties that are to be paid to the University of Hawaii and to the county in which the geothermal resources are located;
- (2) Establish and appropriate funds out of the University of Hawaii Geothermal Exploration Special Fund for the Hawaii Groundwater and Geothermal Resources Center to further the discovery and development of geothermal resources;
- (3) Provide for the deposit of certain royalties into the University of Hawaii Geothermal Exploration Special Fund; and
- (4) Require the entities that receive geothermal royalties to submit an annual report to the Legislature.



Your Committee received testimony in support of this measure from the University of Hawai'i System, Sustainable Energy Hawai'i, and two individuals. Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources. Your Committee received comments on this measure from the Department of Budget and Finance and Hawaii State Energy Office.

Your Committee finds that geothermal technology facilitates the generation of power from heat and energy found below the Earth's surface and the development of geothermal resources are important for meeting the State's goal of transitioning to one hundred percent renewable energy generation statewide. This measure provides further resources to advance geothermal discovery and development and will help Hawaii to achieve its clean energy goals.

Your Committee has amended this measure by:

- (1) Restoring the distribution of no more than \$1,000,000 annually in geothermal royalties to the State;
- (2) Removing the \$1,000,000 cap on the annual distribution of geothermal royalties to the University of Hawaii;
- (3) Deleting the establishment of the University of Hawaii Geothermal Exploration Special Fund;
- (4) Directing that the geothermal royalties that are distributed to the University of Hawaii be deposited into the already-existing University Innovation and Commercialization Initiative Special Fund;
- (5) Requiring the Hawaii Institute of Geophysics and Planetology, rather than the Hawaii Groundwater and Geothermal Resources Center, to use the royalties in the University Innovation and Commercialization Initiative Special Fund to further the discovery and development of geothermal resources;
- (6) Deleting the appropriation; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.



As affirmed by the record of votes of the members of your Committee on Higher Education & Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3229, S.D. 2, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 3229, S.D. 2, H.D. 1.

Respectfully submitted on  
behalf of the members of the  
Committee on Higher Education &  
Technology,



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GREGG TAKAYAMA, Chair



