

STAND. COM. REP. NO.

2282

Honolulu, Hawaii

**FEB 13 2024**

RE: S.B. No. 3360

S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Energy, Economic Development, and Tourism,  
to which was referred S.B. No. 3360 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Update the Renewable Fuels Production Tax Credit to incentivize locally grown, produced, generated, or collected renewable fuel;
- (2) Extend the credit period from ten to twenty consecutive years; and
- (3) Increase the total amount of tax credits allowed to \$80,000,000 in any calendar year.

Your Committee received testimony in support of this measure from Pacific Biodiesel Technologies, LLC; Par Hawaii, LLC; Pono Pacific Land Management, LLC; Hawai'i Farm Bureau; and Tigershark, LLC.

Your Committee received testimony in opposition to this measure from the Energy Justice Network and one individual.



Your Committee received comments on this measure from the Department of Taxation, Department of the Attorney General, Hawaii State Energy Office, Hawaiian Airlines, Tax Foundation of Hawaii, Airlines for America, and Hawaii Bioeconomy Trade Organization.

Your Committee finds that in order for electric utility companies to meet the renewable portfolio standards by 2045 required by section 269-92(a), Hawaii Revised Statutes, an indispensable component of each electric utility company's renewable portfolio standard must include sufficient locally sourced firm, renewable energy sources to offset the intermittent nature of wind and solar-powered renewable energy. Your Committee further finds that to ensure sustainable inventories of locally sourced, firm renewable energy, long-term planning that includes incentives are essential for investment and development of locally sourced firm, renewable energy production. This measure expands the Renewable Fuels Production Tax Credit, which is a significant financial incentive for renewable fuel producers and contributes to achieving greater energy security for the State.

Your Committee has amended this measure by:

- (1) Changing the total tax credit amount of \$80,000,000 to an unspecified amount;
- (2) Changing the credit period from twenty consecutive years to an unspecified length of time;
- (3) Inserting an effective date of January 1, 2060, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee respectfully requests that subsequent Committees who may choose to deliberate on this measure make recommendations as to the appropriate total amount of tax credits allowed and the time period within which the Renewable Fuels Production Tax Credit should be available.

As affirmed by the record of votes of the members of your Committee on Energy, Economic Development, and Tourism that is attached to this report, your Committee is in accord with the



intent and purpose of S.B. No. 3360, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3360, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Energy, Economic  
Development, and Tourism,

  
LYNN DECOITE, Chair



