

STAND. COM. REP. NO. 2341

Honolulu, Hawaii

FEB 14 2024

RE: S.B. No. 2965
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 Transportation and Culture and the Arts, to which was referred S.B. No. 2965 entitled:

"A BILL FOR AN ACT RELATING TO THE INTERISLAND TRANSPORT OF HYDROGEN,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize the Public Utilities Commission to establish a discounted rate by tariff for water carriers that engage in the interisland transport of hydrogen.

Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs Division of Consumer Advocacy; Hawaii State Energy Office; Public Utilities Commission; Hawai'i Gas; and Young Brothers, LLC.

Your Committee finds that hydrogen can be produced from diverse domestic resources with the potential for near-zero greenhouse gas emissions. Your Committee further finds that when used to power highly efficient fuel cell electric vehicles, hydrogen has enormous potential for strengthening national energy security, conserving petroleum, and diversifying the State's transportation energy options for a more resilient system. This measure will further the State's climate change mitigation commitment by allowing decreased tariffs for water carriers that engage in the interisland transport of hydrogen.



Your Committee has amended this measure by:

- (1) Clarifying that only the transport of hydrogen produced from renewable sources is eligible for the discounted rate by tariff for water carriers; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Transportation and Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2965, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2965, S.D. 1, and be referred to your Committees on Ways and Means and Commerce and Consumer Protection.

Respectfully submitted on
behalf of the members of the
Committee on Transportation and
Culture and the Arts,



CHRIS LEE, Chair



