

Honolulu, Hawaii

MAR 01 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 Ways and Means, to which was referred S.B. No. 3360, S.D. 1, 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 incentivize locally grown, produced, generated, or collected renewable fuel.

More specifically, this measure amends the Renewable Fuels Production Tax Credit by:

- (1) Changing the cap amount from \$3,500,000 to seventy-five per cent of the aggregate cap amount;
- (2) Changing the aggregate cap amount from \$20,000,000 to an unspecified amount;
- (3) Changing the credit period from ten consecutive years to an unspecified number of years;
- (4) Establishing an additional tax credit for renewable fuels produced from renewable feedstock locally grown or recycled in the State;
- (5) Establishing an additional tax credit for renewable fuels produced with lifecycle greenhouse gas emissions



that are at least seventy-five per cent below that of fossil fuels; and

- (6) Defining the terms "lifecycle greenhouse gas emissions" and "locally grown".

Your Committee received written comments in support of this measure from the Biotechnology Innovation Organization; Hawaii Farm Bureau; Hawaii Forest Industry Association; Island Energy Services; Pacific Biodiesel Technologies, LLC; Par Hawaii; Pono Pacific Land Management, LLC; and two individuals.

Your Committee received written comments in opposition to this measure from one individual.

Your Committee received written comments on this measure from the Department of the Attorney General, Department of Taxation, Hawaii State Energy Office, Airlines for America, Environmental Caucus of the Democratic Party of Hawaii, Hawaiian Airlines, and Tax Foundation of Hawaii.

Your Committee finds that, in order for electric utility companies to meet the renewable portfolio standards required by section 269-92(a), Hawaii Revised Statutes, 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 also finds that, to ensure sustainable inventories of these energy sources, long-term planning that includes incentives are essential for investment and development of locally sourced firm, renewable energy production.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3360, S.D. 1, and recommends that it pass Third Reading.



Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DONOVAN M. DELA CRUZ, Chair



