STAND. COM. REP. NO. 3025

Honolulu, Hawaii

MAR 0 1 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



STAND. COM. REP. NO. 3025 Page 2

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.

SB3360 SD1 SSCR LRB 24-1360.docx

STAND. COM. REP. NO. 3025 Page 3

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

DONOVAN M. DELA CRUZ, Char



The Senate Thirty-Second Legislature State of Hawaiʻi

Record of Votes Committee on Ways and Means WAM

| Bill / Resolution No.:* | Committee Referral: Date: | | | | |
|--|---------------------------|-----------------------|----------|-----|---------|
| SB 3360 SD1 | SDI EET, WAM | | 3/1/24 | | |
| The Committee is reconsidering its previous decision on this measure. | | | | | |
| If so, then the previous decision was to: | | | | | |
| The Recommendation is: | | | | | |
| Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313 | | | | | |
| Members | | Aye | Aye (WR) | Nay | Excused |
| DELA CRUZ, Donovan M. (C) | | X | | | |
| MORIWAKI, Sharon Y. (VC) | | X | | | |
| AQUINO, Henry J.C. | | X | | | |
| DECOITE, Lynn | | X | | | |
| HASHIMOTO, Troy N. | | X X X X X | | | |
| INOUYE, Lorraine R. | | X | | | |
| KANUHA, Dru Mamo | | × | | | |
| KIDANI, Michelle N. | | X | | | |
| KIM, Donna Mercado | | X | | | |
| LEE, Chris | | X | | | |
| SHIMABUKURO, Maile S.L. | | | | | X |
| WAKAI, Glenn | | | X- | | |
| FEVELLA, Kurt | | Х | | | |
| | _ | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| TOTAL | | 17 | 1 | | 1 |
| Recommendation: | | | | | |
| Chair's of Designee's Signature: | | | | | |
| Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy | | | | | |

*Only <u>one</u> measure per Record of Votes