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## HOUSE RESOLUTION

ENCOURAGING HAWAII'S LANDOWNERS, INVESTORS, COUNTY GOVERNMENTS, AND REGULATED ELECTRIC UTILITIES TO PURSUE DEVELOPMENT AND CONVERSION OF FUEL CROPS FOR ELECTRICITY GENERATION, AND REQUESTING THE HAWAII ENERGY POLICY FORUM TO MAKE RECOMMENDATIONS.

WHEREAS, the State of Hawaii relies on imported oil for more than 89 percent of its primary energy and is the most oil-dependent state in the nation; and

WHEREAS, Hawaii's reliance on imported energy continues to grow despite record oil prices; and

WHEREAS, the price of imported petroleum, diesel, and low-sulfur fuel oil have remained at all-time highs since April 2005; and

WHEREAS, Hawaii residents pay the highest electricity rates in the United States; and

WHEREAS, agriculture has been an integral part of Hawaii's cultural, economic, and social fabric since the Hawaiians first populated these islands; and

WHEREAS, the amount of land under cultivation in Hawaii has declined by almost 135,000 acres or about 40 percent in the last 20 years; and

WHEREAS, much of the land left fallow is eroding into Hawaii's near-shore waters and is degrading Hawaii's coral reef ecosystems; and

WHEREAS, maintaining open space through agriculture is essential to the quality of life of residents and the health of the tourism industry in Hawaii; and

WHEREAS, certain crops grown specifically for use as environmentally friendly fuels, also referred to as biomass, can be used as an energy-efficient, low-carbon source of electricity generation; and

WHEREAS, high oil prices also make the alternative of fuel crops and electricity generation from biomass economically attractive; and

WHEREAS, biomass can also be used to derive alternate fuels such as ethanol and methanol, which will serve to reduce our dependence on imported petroleum and the export of local dollars out of our economy; and

WHEREAS, direct combustion of fuel crops provides an opportunity to burn fuel crops with municipal solid waste-to-energy, further improving the financial attractiveness of burning fuel crops alone; and

22 ·  WHEREAS, growing fuel crops can significantly contribute to the maintenance of open space, creation of jobs in agriculture, reduction of Hawaii's dependence on imported petroleum, reduction of carbon dioxide buildup through carbon sequestration, and an increase in Hawaii's energy security; and

 WHEREAS, the Hawaii Energy Policy Forum was created to facilitate the achievement of the preferred energy vision for Hawaii and provide a forum where decision-making options for smart energy solutions can be presented; now, therefore,

BE IT RESOLVED by the House of Representatives of the Twenty-third Legislature of the State of Hawaii, Regular Session of 2006, that this body strongly encourages Hawaii's landowners, investors, county governments, and regulated electric utilities to pursue the development of fuel crops and the conversion of fuel crops to generate electricity; and

 BE IT FURTHER RESOLVED that the Hawaii Energy Policy Forum is requested to submit a report to the Legislature at least 20 days prior to the convening of the Regular Session of 2007 with recommendations on:

HR HMS 2006-2668



Filene Attale

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- (1) Financial incentives that may be necessary to stimulate development of fuel crops and the conversion of fuel crops to generate electricity, including incentives to reduce the risk of falling oil prices for investors;
- (2) The most suitable locations for undertaking biomass projects independent from, or in conjunction with, municipal solid waste-to-energy programs;
- (3) Options for leasing state land for fuel crop development;
- (4) Opportunities for state and county governments and private investors to secure federal grants to support the development of fuel crops and the conversion of fuel crops to generate electricity; and
- (5) The feasibility of setting up a revolving fund as a mechanism to provide incentives necessary to stimulate investment in fuel corps and the conversion of fuel crops to generate electricity;

and

32 33 BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the Hawaii Energy Policy Forum, mayors of each county, Chair of the Public Utilities Commission, and chief executive officers of each electric utility company in Hawaii.

OFFERED BY:

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