Honolulu, Hawaii

Fely 8, 2006

RE: H.B. No. 2931 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Third State Legislature Regular Session of 2006 State of Hawaii

Sir:

Your Committees on Economic Development & Business Concerns and Energy & Environmental Protection, to which was referred H.B. No. 2931 entitled:

"A BILL FOR AN ACT RELATING TO GENERATED ELECTRICITY,"

beg leave to report as follows:

The purpose of this bill is to encourage the production of electricity through renewable means by exempting, from the general excise tax assessment, "eligible customer-generators," individuals who generate their own renewable energy and sell excess amounts to the public utility company.

Hawaiian Electric Company and the Conservation Council for Hawaii testified in support of this bill. The Department of Commerce and Consumer Affairs and the Hawaii Chapter of the Sierra Club submitted testimony supporting the intent of this bill. The Department of Taxation, Public Utilities Commission, Tax Foundation of Hawaii, and an individual offered comments on this bill.

Your Committees have amended this bill by:

(1) Specifying that the exemption from the general excise tax applies to "eligible customer-generators," who own and operate an alternative energy generating facility that is located on the customer's premises and operated in parallel with and properly connected to the electric

HB2931 HD1 HSCR EDB-EEP HMS 2006-1567

public utility's transmission and distribution
facilities; and

(2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Economic Development & Business Concerns and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2931, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2931, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on behalf of the members of the Committees on Economic Development & Business Concerns and Energy & Environmental Protection,

Name a doing

HERMINA MORITA, Chair

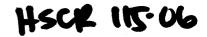
JUN RIKI KARAMATSU, Chair



State of Hawaii House of Representatives The Twenty-third Legislature

Record of Votes of the Committee on Economic Development & Business Concerns

Bill/Resolution No.: HB 2931	Date: Feb. 2, 2006						
Committee Referral: EDB/EEP, CPC, FIN	☐ The committee is reconsidering its previous decision on the measure.						
The recommendation is to: Pass, unamended	P	Pass, with amendments HD1					
☐ Hold	□ Recommit						
EDB Members	Ayes	Ayes (WR)	Nays	Excused			
1. KARAMATSU, Jon Riki (C)	X						
2. WAKAI, Glenn (VC)	_X_						
3. ABINSAY, Felipe P., Jr.	<u>X</u>						
4. CHANG, Jerry L.							
5. HERKES, Robert N.	•			×			
6. MAGAOAY, Michael Y.	<u></u>						
7. TSUJI, Clift							
8. YAMASHITA, Kyle T.							
9. CHING, Corinne W.L.				<u> </u>			
10. MARUMOTO, Barbara C.				3 1			
•							
			<u> </u>				
TOTAL	8		\mathscr{D}	2			
The recommendation is: Adopted							
□ Not Adopted							
If joint referral, did not support recommendation.							
committee acronym(s)							
Vice Chair's or designee's signature:							
Mahal & Magnon							
Distribution: Original (White) - Committee Duplicate (Yellow) - Clerk's Office							



State of Hawaii House of Representatives The Twenty-third Legislature

Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.: HB2931		Date:	2-2-06				
Committee Referral:	CPC, FIN	☐ The committee is reconsidering its previous decision on the measure.					
The recommendation is to:	Pass, unamended	Pass, with amendments					
Ţ	Hold	□ Re	commit				
EEP Membe	rs	Ayes	Ayes (WR)	Nays	Excused		
1. MORITA, Hermina M. (C)						
2. EVANS, Cindy (VC)							
3. BERG, Lyla B., Ph.D.					-		
4. CARROLL, Mele				-	V		
5. HARBIN, Bev							
6. KANOHO, Ezra R.							
7. SCHATZ, Brian							
8. WATERS, Tommy							
9. PINE, Kymberly 10. THIELEN, Cynthia							
10. THIELEN, Cynuna							
and the second s				·			
TOTAL		6			4		
The recommendation is:	Adopted		•				
I	☐ Not Adopted						
	If joint referral, did not support recommendation.						
committee acronym(s)							
γ		•					
Vice Chair's or designee's rignate	ire: ly Evan	<i></i>					
Distribution: Original (White) – Committee I	Ouplicate (Yellov	v) – Clerk's Office				