

STAND. COM. REP. NO. 1939

Honolulu, Hawaii

AJIS, 2007

RE: S.B. No. 1718
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 1718, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR ELECTRICAL GENERATION ON THE ISLAND OF MAUI,"

begs leave to report as follows:

The purpose of this bill is to support the development of renewable and efficient energy systems in the state by authorizing the issuance of special purpose revenue bonds to assist BlueEarth Maui Biofuels, LLC, with the construction of a biodiesel refinery on Maui for the purpose of producing fuel for electrical generation.

BlueEarth Biofuels, LLC, Maui Chamber of Commerce, ILWU Local 142, Plumbers and Fitters Union Local 675, Hawaiian Electric Company, Inc., Maui Electric Company, and Hawaii Electric Light Company testified in support of this bill. The Hawaii Farm Bureau Federation supported the intent of this measure. The Hawaii Audubon Society, Maui Tomorrow Foundation, Inc., Lahui O Ka Aina, Ke Ola Aina, Windward Ahupuaa Alliance, Sawit Watch, Pacific Biodiesel, Inc., and a large number of concerned individuals opposed this bill. The Department of Budget and Finance, Sierra Club-Hawaii Chapter-Maui Group, Life of the Land, and a concerned individual provided comments.

SB1718 HD2 HSCR FIN HMS 2007-3738



Concerns were raised regarding the negative impact on the environment of using palm oil for energy. Your Committee notes that it has been assured by BlueEarth Biodiesel, LLC, that palm oil will not be used in its production of biodiesel.

Upon careful consideration, your Committee has amended this bill by:

- (1) Limiting the authorization to issue special purpose revenue bonds to assist BlueEarth Maui Biodiesel, LLC, only, and not:
 - (A) A partnership in which BlueEarth Maui Biodiesel, LLC, is a general partner; nor
 - (B) A newly formed LLC in which BlueEarth Maui Biodiesel, LLC, is a managing member or the successor in interest or assignee of BlueEarth Maui Biodiesel, LLC;
- (2) Changing the amount of special purpose revenue bonds authorized from \$59,000,000 to an unspecified sum;
- (3) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1718, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1718, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,


MARCUS R. OSHIRO, Chair



State of Hawaii
House of Representatives
The Twenty-fourth Legislature

HSCR 1939
Referenced M

Record of Votes of the Committee on Finance

Bill/Resolution No.: SB 1718 HD1		Date: 2/4/07		
Committee Referral: EEP, FIN		<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.		
The recommendation is to: <input type="checkbox"/> Pass, unamended <input checked="" type="checkbox"/> Pass, with amendments <input type="checkbox"/> Hold <input type="checkbox"/> Pass, with amendments, for recommittal for further consideration				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. OSHIRO, Marcus R. (C)	✓			
2. LEE, Marilyn B. (VC)	✓			
3. BELATTI, Della Au		✓		
4. BROWER, Tom		✓		
5. CARROLL, Mele		✓		
6. CHONG, Pono	✓			
7. HANOHANO, Faye P.		✓		
8. HAR, Sharon E.	✓			
9. MAGAOAY, Michael Y.	✓			
10. MANAHAN, Joey	✓			
11. MIZUNO, John	✓			
12. NAKASONE, Bob	✓			
13. RHOADS, Karl		✓		
14. SAGUM, Roland D., III		✓		
15. TOKIOKA, James Kunane	✓			
16. AWANA, Karen Leinani		✓		
17. MEYER, Colleen Rose		✓		
18. WARD, Gene, Ph.D.	✓			
TOTAL	10	8	0	0
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
<i>Marilyn B. Lee</i>				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – HMSO Duplicate (Pink) – Clerk's Office				