

STAND. COM. REP. NO. 1852

Honolulu, Hawaii

A-05, 2007

RE: S.B. No. 1943  
S.D. 2  
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 Agriculture, to which was referred S.B. No. 1943, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

begs leave to report as follows:

The purpose of this bill is to encourage the production and use of biofuels and energy feedstock in Hawaii by:

- (1) Adding biofuel processing facilities to the list of permitted uses for agricultural lands; and
- (2) Establishing an energy feedstock program (Program) in the Department of Agriculture (DOA).

Imperium Renewables Hawaii LLC, Hawaii BioEnergy, and Enterprise Honolulu supported this bill. DOA and the Department of Business, Economic Development, and Tourism supported this bill with amendments. The Department of Planning and Permitting of the City and County of Honolulu (Honolulu DPP), Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company submitted comments.

Several issues were raised at the public hearing. The Honolulu DPP indicated that certain provisions relating to the addition of biofuel processing facilities to the list of permitted uses on agricultural land resemble criteria for approval of a

SB1943 HD2 HSCR AGR HMS 2007-3671



particular proposal, rather than parameters for a permitted use. Honolulu DPP suggested that biofuel processing facilities be allowed on agricultural land through the special permit process.

In addition, concerns were expressed regarding potential negative impacts on existing bona fide farms of establishing biofuel processing facilities on agricultural lands. Concerns were also raised regarding whether this measure assists local farming operations.

Furthermore, DOA submitted recommended amendments to this bill that would impose additional requirements for biofuel processing facilities on agricultural land and for the Program. The proposed requirements are intended to ensure that a majority of the energy feedstock are grown in the state. Your Committee respectfully requests the Attorney General study the proposed amendments to determine the constitutionality of requiring the use of locally grown products as proposed by DOA, and provide a written opinion on this matter prior to the House and Senate conference period on this bill.

Your Committee has amended this measure by:

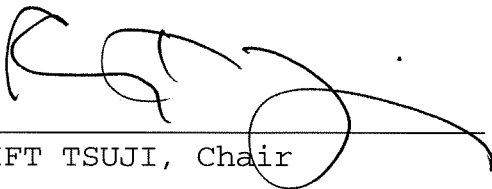
- (1) Deleting the provision requiring the Chairperson of the Board of Agriculture (Chairperson) and the Energy Resources Coordinator (Coordinator) to establish a baseline percentage of energy feedstock to be grown in the state;
- (2) Clarifying that the Chairperson consult and coordinate with the Coordinator to establish milestones and objectives for the production of energy feedstock that is grown in the state;
- (3) Requiring the Chairperson and the Coordinator to report on an annual basis the State's progress towards achieving the milestones and objectives;
- (4) Including the cultivation of crops for bioenergy in the list of permitted uses on class A or B agricultural land; and
- (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.



Your Committee recognizes that additional study needs to be done to determine the most appropriate way to establish specific milestones and objectives for energy feedstock grown in the state.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1943, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1943, S.D. 2, H.D. 2.

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

  
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CLIFT TSUJI, Chair

State of Hawaii  
House of Representatives  
The Twenty-fourth Legislature

**Record of Votes of the Committee on Agriculture**

<b>Bill/Resolution No.:</b> <div style="text-align: center;">SB1943 SD2 , HD1</div>		<b>Date:</b> <div style="text-align: center;">4/03/07</div>		
<b>Committee Referral:</b> <div style="text-align: center;">WLH/EEP , AGR</div>		<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.		
<b>The recommendation is to:</b> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div> <input type="checkbox"/> Pass, unamended  <input type="checkbox"/> Hold         </div> <div> <input checked="" type="checkbox"/> Pass, with amendments  <input type="checkbox"/> Pass, with amendments, for recommittal for further consideration         </div> </div>				
AGR Members	Ayes	Ayes (WR)	Nays	Excused
1. TSUJI, Clift (C)	/			
2. BROWER, Tom (VC)	/			
3. BERG, Lyla B., Ph.D.	/			
4. CHANG, Jerry L.	/			
5. HANOHANO, Faye P.	/			
6. HERKES, Robert N.				/
7. MANAHAN, Joey				/
8. WAKAI, Glenn				/
9. YAMANE, Ryan I.	/			
10. YAMASHITA, Kyle T.	/			
11. CHING, Corinne W.L.				/
12. MEYER, Colleen Rose	HAW B	/		
<b>TOTAL</b>	7 <del>8</del> <sup>B</sup>	1	0	4
<b>The recommendation is:</b> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div> <input checked="" type="checkbox"/> Adopted  <input type="checkbox"/> Not Adopted         </div> <div>           If joint referral, _____ did not support recommendation.  <div style="text-align: center;">committee acronym(s)</div> </div> </div>				
<div style="text-align: center; margin-bottom: 10px;"> </div> <b>Vice Chair's or designee's signature:</b>				
<b>Distribution:</b> Original (White) – Committee      Duplicate (Yellow) – Clerk's Office				