STAND. COM. REP. NO. **596** -08

Honolulu, Hawaii

Fe 515, 2008

RE: H.B. No. 3213

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fourth State Legislature Regular Session of 2008 State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 3213 entitled:

"A BILL FOR AN ACT RELATING TO AIR POLLUTION,"

begs leave to report as follows:

The purpose of this bill is to align financial incentives with policies that establish societal and sustainability goals such as clean air. This bill eliminates a disincentive to pollution by removing the 4,000-ton emissions cap for which fees are levied.

The Sierra Club Hawaii Chapter testified in support of this bill. The Department of Health opposed this measure.

Your Committee finds that the current system of assessing fees against a covered source permit holder on the basis of a cost-per-ton of regulated air pollutants produced by the covered source, with a cap of 4,000 tons per year, is counter-productive in decreasing air pollutants. The covered sources producing in excess of 4,000 tons per year of pollutants have no incentive to reduce their pollutant tonnage below the cap of 4,000 tons, the point at which maximum annual fees are charged. Further, the 4,000-ton per year cap is inequitable to smaller covered source permit holders. The amended fee schedule could add approximately \$220,000 in funds which can be used to advance policies and programs to further reduce air pollution and greenhouse gas emissions to the benefit of our state.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3213 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Energy & Environmental Protection,

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HERMINA MORITA, Chair

## State of Hawaii House of Representatives The Twenty-fourth Legislature

## Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.: HB 3213	Committee Referral: EEP, FIN	Date	2-7	-08
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
EEP Members	Ayes	Ayes (WR)	Nays	Excused
1. MORITA, Hermina M. (C)	/			
2. CARROLL, Mele (VC)				
2. CARROLL, Mer (VC)		The state of the s	1025	
3. ITO, Ken				
4. KARAMATSU, Jon Riki				
4. KARAWA150, Jon Riki				
5. MAGAOAY, Michael Y.				
6. SAGUM, Roland D., III			n (* 12. f. Edge (* 1885) 1 de - 1855 - Eng	
o. Shoom, Roland D., IX				
7. SAIKI, Scott K.				
8. THIELEN, Cynthia				
o. Timber, cyntia				
			ar villa d	
TOTAL (8)	7	0	0	
The recommendation is:  Adopted  If joint referral, did not support recommendation.  committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office				