

Honolulu, Hawaii

MAR 25 2009

RE: H.B. No. 591
H.D. 1
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Energy and Environment, to which was referred H.B. No. 591, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC UTILITIES,"

beg leave to report as follows:

The purpose of this measure is to authorize and encourage the establishment of preferential rates for renewable energy produced in conjunction with agricultural activities.

Testimony in support of this measure was submitted by four organizations. Comments were submitted by one state commission. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that this is a critical juncture for agriculture in Hawaii, and that prolonged drought and the rapidly deteriorating economy are having a significant negative impact upon the agricultural industry. This measure will help support the continuation and growth of the agricultural industry.

The Hawaiian Commercial and Sugar Company (HC & S) produces electricity for its sugar milling, irrigation pumping, and other internal operations and provides electricity to the Maui Electric Company (MECO). The biomass electricity is primarily produced by burning bagasse, the residual fiber of the sugar cane plant, as a fuel to generate steam for the production of power. In addition



to providing approximately seven per cent of MECO's electricity, HC & S also serves as a firm power source for MECO, and has played a significant role in the restoration of MECO's electrical service during power outages. The preferential renewable energy rates will enhance the prospects of attracting new agricultural related renewable energy producers as well as retain those presently in production. The result will be a reduction in Hawaii's dependence on fossil fuel imports, a step towards Hawaii's future energy security, and a method to sustain the agricultural industry.

Your Committees have amended this measure by changing the effective date to upon approval.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 591, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 591, H.D. 1, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Respectfully submitted on
behalf of the members of the
Committees on Water, Land,
Agriculture, and Hawaiian
Affairs and Energy and
Environment,



MIKE GABBARD, Chair



CLAYTON HEE, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Water, Land, Agriculture and Hawaiian Affairs
WTL

Bill / Resolution No.:* HB 591, HD1	Committee Referral: WTL/ENE, CPN	Date: 01/18/09		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div> <input type="checkbox"/> Pass, unamended 2312 </div> <div> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div> <input type="checkbox"/> Hold 2310 </div> <div> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)	✓			
TOKUDA, Jill N. (VC)	✓			
BUNDA, Robert				✓
FUKUNAGA, Carol	✓			
KOKUBUN, Russell S.				✓
TAKAMINE, Dwight Y.	✓			
HEMMINGS, Fred				✓
TOTAL	4	0	0	3
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: 				
<div style="display: flex; justify-content: space-between; font-size: 0.8em;"> <div> Distribution: Original File with Committee Report </div> <div> Yellow Clerk's Office </div> <div> Pink Drafting Agency </div> <div> Goldenrod Committee File Copy </div> </div>				

***Only one measure per Record of Votes**

Record of Votes
Committee on Energy and Environment
ENE

*Only one measure per Record of Votes