

STAND. COM. REP. NO.

306

Honolulu, Hawaii

Feb 18, 2009

RE: H.B. No. 1336

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 1336 entitled:

"A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST DIAMOND HEAD RENEWABLE RESOURCES, LLC,"

begs leave to report as follows:

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Diamond Head Renewable Resources, LLC (Diamond Head).

Specifically, the measure authorizes the issuance of special purpose revenue bonds in an amount not to exceed \$144,000,000 for the planning, design, and construction of an ethanol/alcohol fuel refinery and electrical generation plant on Oahu.

Your Committee finds that Diamond Head intends to make locally produced ethanol and generate electricity with renewable sources for biofuels that are economically feasible and provide benefits that include:

- (1) Increasing Hawaii's fuel security by reducing dependence on imported fossil fuels;
- (2) Helping to meet Hawaii's renewable energy goals by using existing generation assets with on-island produced renewable ethanol and alcohol fuels;

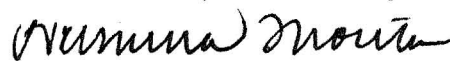


- (3) Reducing greenhouse gas emissions by using ethanol in auto fuels and reducing the amount of methane released into the atmosphere;
- (4) Providing significant reductions of hydrocarbon, sulfur, toxic compounds, and particulate matter emissions compared to burning petroleum fuel; and
- (5) Eliminating the need to purchase and import more than twelve million gallons of fuels per year.

Testimony in support of this measure was submitted by Diamond Head Renewable Resources, LLC and four private citizens. The Department of Budget and Finance offered comments.

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. 1336 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,



HERMINA MORITA, Chair



