STAND. COM. REP. NO. 306

Honolulu, Hawaii **F2518**, 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:

- 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;

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- (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,

Numina morita

HERMINA MORITA, Chair



State of Hawaii House of Representatives The Twenty-fifth Legislature



Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.:	Committee Referral:			Date:	
HB 1336	EEP, FIN			2.12.09	
□ 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		Arros	Arros (WD)	Nava	Franced
	*	Ayes	Ayes (WR)	Nays	Excused
1. MORITA, Hermina M. (C)					
2 COFEMAN Deppy (VC)		1/			
2. COFFMAN, Denny (VC)		F			
3. CABANILLA, Rida		~			
		-			
4. CHANG, Jerry L.		V			
	294) - C.				
5. CHONG, Pono		~			
		<u>,</u>			
6. HAR, Sharon E.		\checkmark			
		4			
7. HERKES, Robert N.		\checkmark			
			and the second second		
8. ITO, Ken		V			
0 LEE Chain					-
9. LEE, Chris					J
10. LUKE, Sylvia		\checkmark			
100 10111,05,000					
11. SAGUM, Roland D., III		\checkmark			
12. CHING, Corinne W.L.					~
13. THIELEN, Cynthia					
TOTAL (13)		11	D	0	2
The recommendation is: Ado		Not Adopte			
If joint referral, did not support recommendation.					
Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					