

Honolulu, Hawaii

FEB 26 2010

RE: S.B. No. 2331

S.D. 2

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which  
was referred S.B. No. 2331, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY,"

begs leave to report as follows:

The purpose of this measure is to modify the renewable  
portfolio standards to specify that commencing after December 31,  
2014, a minimum of two per cent of net electrical power generation  
must be met from renewable power generated by facilities utilizing  
agricultural energy.

The measure also defines agricultural energy as energy  
produced:

- (1) By a biofuel processing facility located in the State  
that produces more than 500,000 gallons of biofuel per  
year;
- (2) Using commercial agricultural products or commodities  
produced in the State by a commercial agricultural  
enterprise that produces more than 1,000,000 pounds of  
such products or commodities per year; and
- (3) By a commercial agricultural enterprise that produces  
more than 1,000,000 pounds of agricultural products or  
commodities per year.



Your Committee received testimony in support of this measure from the Public Utilities Commission. Testimony commenting on this measure was received from the Department of Business, Economic Development, and Tourism and the Hawaii Department of Agriculture. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will strengthen Hawaii's agricultural and alternative fuels industry while decreasing the State's dependence on imported oil and non-renewable resources. Your Committee recognizes that requiring the use of a particular type of fuel does not necessarily mean that sufficient local production of energy feedstock will develop and that whether sufficient agricultural energy is produced is beyond the electric utility company's control.

Your Committee has amended this measure by:

- (1) Clarifying that the renewable energy requirement that begins January 1, 2015 applies to net electrical power generation and not just to renewable portfolio standards;
- (2) Clarifying that the term agricultural energy producers includes facilities that commercially produce biofuels, food, feed, or wood products in tandem with the production of electrical power;
- (3) Reducing the amount of production necessary to meet the qualifications for a commercial facility from 1,000,000 pounds to 50,000 pounds per year for facilities producing food, feed, or wood products;
- (4) Changing the effective date of this measure to January 1, 2050 to encourage further discussion; and
- (5) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2331, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2331, S.D. 2.



Respectfully submitted on  
behalf of the members of the  
Committee on Commerce and  
Consumer Protection,



ROSALYN H. BAKER, Chair



The Senate  
Twenty-Fifth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

|   |  |   |     |         |
|---|--|---|-----|---------|
| Bill / Resolution No.:*<br><div style="font-size: 1.2em; font-family: cursive;">SB 2331 SDI</div>   | Committee Referral:<br><div style="font-size: 1.2em; font-family: cursive;">ENE, CPN</div> | Date:<br><div style="font-size: 1.2em; font-family: cursive;">2/24/2010</div> |     |         |
| <input type="checkbox"/> The committee is reconsidering its previous decision on this measure.<br>If so, then the previous decision was to: _____   |  |   |     |         |
| The Recommendation is:<br><div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended<br/>2312         </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments<br/>2311         </div> <div style="text-align: center;"> <input type="checkbox"/> Hold<br/>2310         </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit<br/>2313         </div> </div> |  |   |     |         |
| Members   | Aye  | Aye (WR)  | Nay | Excused |
| BAKER, Rosalyn H. (C)   | ✓  |   |     |         |
| IGE, David Y. (VC)  | ✓  |   |     |         |
| ESPERO, Will  | ✓  |   |     |         |
| GREEN, M.D., Josh   | ✓  |   |     |         |
| IHARA, Jr., Les   |  |   |     | ✓       |
| SAKAMOTO, Norman  | ✓  |   |     |         |
| HEMMINGS, Fred  |  |   |     | ✓       |
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| <b>TOTAL</b>  | 5  | 0   | 0   | 2       |
| 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:<br><div style="font-size: 1.5em; font-family: cursive; margin-top: 10px;">David Y. Ige</div>   |  |   |     |         |
| Distribution: <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="text-align: center;">Original<br/>File with Committee Report</div> <div style="text-align: center;">Yellow<br/>Clerk's Office</div> <div style="text-align: center;">Pink<br/>Drafting Agency</div> <div style="text-align: center;">Goldenrod<br/>Committee File Copy</div> </div>   |  |   |     |         |

\*Only one measure per Record of Votes