

Honolulu, Hawaii

FEB 20 2009

RE: S.B. No. 287

S.D. 1

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

Madam:

Your Committee on Energy and Environment, to which was referred S.B. No. 287 entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

begs leave to report as follows:

The purpose of this measure is to require maximum use of geothermal energy on the island of Hawaii to achieve energy self-sufficiency and reduced reliance on imported fossil fuels; and to establish a pilot program and a tax credit to facilitate the development of infrastructure for the deployment of renewable energy resources, including geothermal resources.

Testimony in support of the intent of the measure, with comments, was submitted by three state agencies and one private organization. Testimony in opposition to the measure was submitted by one private organization. Copies of written testimony are available for review on the Legislature's website.

The Public Utilities Commission submitted comments regarding the language in the measure that would require the Public Utilities Commission to direct public utilities to arrange for the acquisition of and to acquire electricity generated from geothermal sources at the maximum capacity that is available from the producers of geothermal energy. The Public Utilities Commission expressed concern regarding the cost impact to ratepayers, as the measure as currently drafted would appear to require the acquisition of all available geothermal resources



without regard to cost. The Public Utilities Commission suggested replacing the mandatory "shall" with the permissive "may".

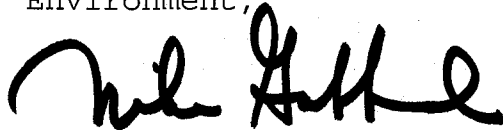
Your Committee recognizes that it is important to maximize the use of geothermal energy on the island of Hawaii to reduce reliance on imported fossil fuels and to achieve energy self-sufficiency. As fossil fuel and petroleum prices become more volatile, Hawaii's ability to generate its own energy will make the State more secure and less reliant on outside sources.

Your Committee has amended this measure by:

- (1) Making technical, nonsubstantive stylistic changes; and
- (2) Adopting the recommendation of the Public Utilities Commission by substituting the word "shall" with "may" within the provision regarding the acquisition of geothermal energy.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 287, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 287, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Energy and
Environment,



MIKE GABBARD, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Energy and Environment
ENE

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| Bill / Resolution No.:* <div style="font-size: 1.5em; font-family: cursive;">SB 287</div> | Committee Referral: <div style="font-size: 1.5em; font-family: cursive;">ENE, WAM</div> | Date: <div style="font-size: 1.5em; font-family: cursive;">2/12/09</div> | | |
| <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-around; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div> | | | | |
| Members | Aye | Aye (WR) | Nay | Excused |
| GABBARD, Mike (C) | ✓ | | | |
| ENGLISH, J. Kalani (VC) | | ✓ | | |
| GREEN, M.D., Josh | ✓ | | | |
| HOOSER, Gary L. | ✓ | | | |
| IHARA, Jr., Les | | ✓ | | |
| KOKUBUN, Russell S. | | ✓ | | |
| HEMMINGS, Fred | ✓ | | | |
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| TOTAL | 4 | 3 | | |
| Recommendation: <div style="display: flex; justify-content: space-around; align-items: center;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div> | | | | |
| Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive; margin-left: 50px;">J. Kalani English</div> | | | | |
| <div style="display: flex; justify-content: space-between; font-size: 0.8em;"> <div>Distribution:</div> <div>Original</div> <div>Yellow</div> <div>Pink</div> <div>Goldenrod</div> </div> <div style="display: flex; justify-content: space-between; font-size: 0.7em; margin-top: 5px;"> <div>File with Committee Report</div> <div>Clerk's Office</div> <div>Drafting Agency</div> <div>Committee File Copy</div> </div> | | | | |

*Only one measure per Record of Votes