STAND. COM. REP. NO. 379

Honolulu, Hawaii FEB 2 0 2009

RE: S.B. No. 485 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. 485 entitled:

"A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST CARBON DIVERSION INC,"

begs leave to report as follows:

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for the purpose of assisting Carbon Diversion Inc., or a partnership in which Carbon Diversion Inc. is a general partner, for the establishment of a cogeneration facility and related energy production facilities.

Testimony in support of this measure was submitted by two state organizations and three private businesses. Comments were submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Carbon Diversion Inc., is a local company that was incorporated in Hawaii in 2004. The company has developed a full-scale hybrid gasification carbonization process at Campbell Industrial Park in Kapolei which can reduce various organic feedstock and tires (non-fossil fuel) into carbon products and synthetic gas that complies with the Environmental Protection Agency's air emission standards.

Your Committee has amended this measure by incorporating the recommendations of Carbon Diversion Inc., to clarify the

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description of the process by which the company produces electric energy from nonfossil fuel feedstock.

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. 485, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 485, 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

Bill / Resolution No.:* Committee Referral: Date: 21909				
The committee is reconsidering its previous decision on this measure.				
If so, then the previous decision was to:				
The Recommendation is:				
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313				
Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)				
ENGLISH, J. Kalani (VC)				
GREEN, M.D., Josh		1000 12 A 1000 1000 1000 1000 1000 1000	1984-000 000 000 000 000 000 000 000 000 00	
HOOSER, Gary L.				
IHARA, Jr., Les				
KOKUBUN, Russell S.				
HEMMINGS, Fred				
TOTAL	6			Mary roots
Recommendation:				
Adopted Not Adopted				
Chair's or Designee's Signature 4 Calemi Egles				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes