

Honolulu, Hawaii

, 2022

FEB 17

RE: H.B. No. 1937

H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 1937 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII HYDROGEN STRATEGIC PLAN,"

begs leave to report as follows:

The purpose of this measure is to require and appropriate funds for the Hawaii Natural Energy Institute to conduct a study to examine the State's ability to advance hydrogen production from local renewable energy resources and develop the Hawaii Hydrogen Strategic Plan utilizing the results of its study, including submitting periodic reports to the Legislature.

Your Committee received testimony in support of this measure from the Hawaii Bioeconomy Trade Organization, Servco Pacific Inc., Hawaii Center for Advanced Transportation Technologies, Ulupono Initiative, Alliance for Automotive Innovation, Hawai'i Gas, and two individuals. Your Committee received comments on this measure from the Department of Budget and Finance, Hawai'i Natural Energy Institute, Hawaii State Energy Office, Life of the Land, and one individual.

Your Committee finds that as the State strives to reach its renewable energy goals, it is critical to fully evaluate the potential for hydrogen to contribute to Hawaii's energy needs.



Global research and development show significant progress in understanding and establishing hydrogen as a clean and reliable fuel source. This measure supports further study into the impact that hydrogen could have to reduce the State's dependence on imported fossil fuels.

Your Committee has amended this measure by:

- (1) Clarifying the provisions of the study to be conducted by the Hawaii Natural Energy Institute to examine the potential for the production and use of renewable hydrogen in the State and the potential role of renewable hydrogen in achieving a local, affordable, reliable, and decarbonized energy system and economy, including delaying the deadline for submitting a report on the study by one year;
- (2) Specifying that the results of the study shall be used to inform energy planning, which may include a Hawaii Hydrogen Strategic Plan; decarbonization efforts; and other ongoing work being undertaken by the Hawaii State Energy Office;
- (3) Inserting a definition for "renewable hydrogen";
- (4) Deleting language that would have required and appropriated funds for the Hawaii Natural Energy Institute to develop the Hawaii Hydrogen Strategic Plan, including periodic updates and reports to the Legislature;
- (5) Including gas utilities as entities that the Hawaii Natural Energy Institute shall consult in conducting its study;
- (6) Changing the effective date to July 1, 2100, to encourage further discussion; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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. 1937, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1937, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,

Nicole E. Lowen

NICOLE E. LOWEN, Chair



