

Honolulu, Hawaii

**APR 29 2022**

RE: S.B. No. 3229  
S.D. 2  
H.D. 2  
C.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2022  
State of Hawaii

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

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 3229, S.D. 2, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO GEOTHERMAL ROYALTIES,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) Cap the amount of royalties from geothermal resources that are to be paid to the State and to the county in which the geothermal resources are located;
- (2) Deposit geothermal royalties that are distributed to the University of Hawaii into the University Innovation and Commercialization Initiative Special Fund, to be expended by the Hawaii Institute of Geophysics and Planetology, to further the discovery and development of geothermal resources; and



- (3) Require each county in which mining operations covered under a state geothermal resource mining lease are situated, and the Hawaii Institute of Geophysics and Planetology to submit an annual report to the Legislature on how the royalties distributed to them were used.

Your Committee on Conference finds that although geothermal energy is a firm source of cost-effective renewable energy, none of the royalties from geothermal resources have been used to advance the discovery and development of geothermal resources within the State. Your Committee on Conference finds that funding the assessment and exploration of local geothermal resources may decrease the State's reliance on fossil fuels, contribute to Hawaii's energy diversification, and help the State to achieve one hundred percent renewable energy generation statewide.

Your Committee on Conference has amended this measure by:

- (1) Replacing the Hawaii Institute of Geophysics and Planetology with the Hawaii Groundwater and Geothermal Resources Center as the entity to use the geothermal royalties in the University Innovation and Commercialization Initiative Special Fund and submit an annual report to the Legislature on how the royalties distributed to them were used;
- (2) Capping the geothermal royalties that the State pays to the county in which mining operations covered under a state geothermal resource mining lease are situated at \$600,000;
- (3) Capping the geothermal royalties distributed annually to the State at \$1,000,000; and
- (4) Making it effective on July 1, 2022.

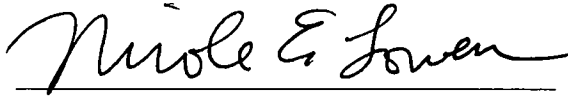
As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3229, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3229, S.D. 2, H.D. 2, C.D. 1.



Respectfully submitted on behalf  
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



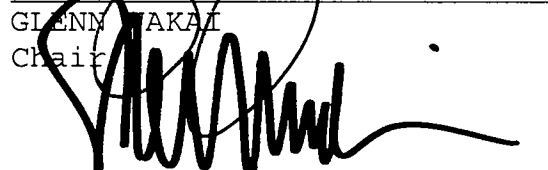
NICOLE E. LOWEN  
Co-Chair



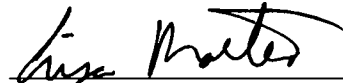
GLENN WAKAI  
Chair



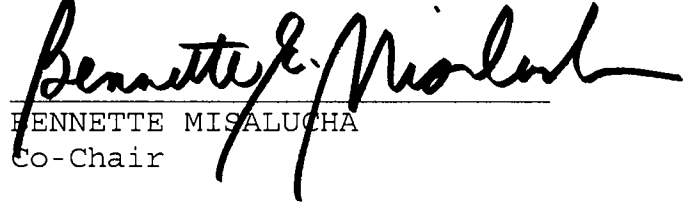
GREG TAKAMA  
Co-Chair



SHARON MORIWAKI  
Co-Chair



LISA MARTEN  
Co-Chair



BENNETTE MISALUCHA  
Co-Chair



Record of Votes of a  
Conference Committee

Bill / Concurrent Resolution No.: <b>SB 3229, SD 2, HD 2</b>	Date/Time: <b>4/29/22 10:20 am</b>
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure

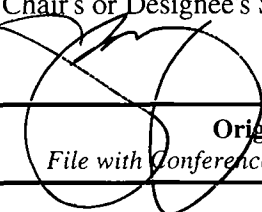
The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.

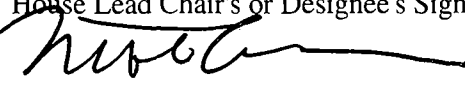
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
WAKAI, Glenn, Chr.	✓				LOWEN, Nicole E., Co-Chr.	✓			
MORIWAKI, Sharon Y., Co-Chr.		✓		✓	TAKAYAMA, Gregg, Co-Chr.	✓			
MISALUCHA, Bennette E., Co-Chr.	✓				MARTEN, Lisa, Co-Chr.	✓			
FEVELLA, Kurt	✓				PERRUSO, Amy A.	✓			
					MATSUMOTO, Lauren	✓			
<b>TOTAL</b>	3	0	0	1	<b>TOTAL</b>	5	0	0	0

A = Aye      WR = Aye with Reservations      N = Nay      E = Excused

Senate Recommendation is:  
 Adopted       Not Adopted

House Recommendation is:  
 Adopted       Not Adopted

Senate Lead Chair's or Designee's Signature:  


House Lead Chair's or Designee's Signature:  


Distribution:      Original      Yellow      Pink      Goldenrod  
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