

STAND. COM. REP. NO.

1567

Honolulu, Hawaii

MAR 24 , 2023

RE: S.B. No. 458  
S.D. 2  
H.D. 2

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 458, S.D. 2, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish the Geothermal Energy Resources Development Special Fund to be used by the Hawaii State Energy Office to support projects that promote and advance geothermal energy resources development; and
- (2) Amend the distribution of geothermal royalties to be distributed among counties for specific purposes and to the Geothermal Energy Resources Development Special Fund, Department of Land and Natural Resources, and Office of Hawaiian Affairs.

Your Committee received testimony in support of this measure from Ulupono Initiative and Servco Pacific Inc. Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources, Office of Hawaiian Affairs, Department of Research and Development of the County of Hawai'i, and one member of the Hawai'i County Council. Your

2023-2896 SB458 HD2 HSCR HMSO



Committee received comments on this measure from the Department of Budget and Finance and one individual.

Your Committee finds that geothermal exploration, performed in a responsible manner, is an essential part of the State's strategy for a diversified renewable energy portfolio and is necessary to fully understand the developable resource potential of geothermal energy on each island. This measure dedicates funds to better understand the State's geothermal resource potential for the public benefit.

Your Committee has amended this measure by amending the distribution of geothermal royalties as follows:

- (1) Thirty percent to the county where the geothermal mining operations are situated;
- (2) Twenty percent to the Geothermal Energy Resources Development Special Fund;
- (3) Thirty percent to the Department of Land and Natural Resources; and
- (4) Twenty percent to the Office of Hawaiian Affairs.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 458, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 458, S.D. 2, H.D. 2.

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



MARK M. NAKASHIMA, Chair



