S.B. NO. 3081

JAN 28 2026

A BILL FOR AN ACT

RELATING TO A PROGRAM TO CHARACTERIZE THE POTENTIAL OF UNDERGROUND ENERGY RESOURCES STATEWIDE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The legislature finds that a better understanding of carbon sequestration potential and the location and temperature of underground water resources across the State can provide multiple benefits to agriculture, clean energy, and land use.

The legislature further finds that resource characterization via slim-hole bores, which have a diameter of seven inches or less for over ninety per cent of the depth of the bore, can help identify geologic features associated with clean energy resources. Environmental assessments should be conducted before any energy projects are developed, with robust and continued community engagement facilitated by unbiased energy information.

At the same time, changes to federal funding for lifesaving health care and nutrition assistance have placed short-term constraints on state funds. Given these limitations, and recognizing that significant investments are needed to determine

how geothermal energy can improve the lives of residents, this Act provides more modest fiscal support for one or two additional slim-hole characterization wells.

The purpose of this Act is to require the Hawaii state energy office to continue supporting geothermal exploration resource characterization via slim-hole characterization wells, in collaboration with the Hawaii groundwater and geothermal resources center at the university of Hawaii.

SECTION 2. Chapter 196, Hawaii Revised Statutes, is amended by adding to part I a new section to be appropriately designated and to read as follows:

"**§196- Underground energy resource characterization program.** (a) There is established the underground energy resource characterization program within the Hawaii state energy office in collaboration with the Hawaii groundwater and geothermal resources center at the university of Hawaii to identify the location and characteristics of accessible geothermal heat and carbon sequestration resources across the State using the slim-hole boring method.

(b) Upon finding of a resource that could support the development of geothermal energy, the Hawaii state energy office shall seek funds to conduct an environmental assessment or

environmental impact statement for the program's actions pursuant to chapter 343. The assessment or impact statement shall be conducted in collaboration with the appropriate state agencies, including the department of land and natural resources and department of health, and shall include input from Native Hawaiian cultural practitioners.

(c) The Hawaii state energy office shall compile and share information on the role of geothermal energy in achieving energy self-sufficiency across the State. The information shall be grounded in the context of commercially available technology and address both opportunities and potential concerns, including cultural, economic, and land use considerations.

(d) The Hawaii state energy office shall submit an annual report to the legislature, no later than twenty days prior to the convening of each regular session, on recent developments in geothermal energy technology and activities in other states."

SECTION 3. The Hawaii state energy office shall submit a progress report on the underground energy resource characterization program to the legislature no later than twenty days prior to the convening of the regular session of 2028. The report shall be made available to the public in readily accessible formats, including commonly used mapping software.

SECTION 4. There is appropriated out of the energy security special fund the sum of $6,000,000 or so much thereof as may be necessary for the fiscal year 2026-2027 to carry out the purposes of this Act.

The sum appropriated shall be expended by the Hawaii state energy office.

SECTION 5. New statutory material is underscored.

SECTION 6. This Act, upon its approval, shall take effect on July 1, 2026.

INTRODUCED BY: _____

BY REQUEST

S.B. NO. 3081

Report Title:
Hawaii State Energy Office; Water Resources; Geothermal Exploration; University of Hawaii; Appropriation

Description:
Establishes the Underground Energy Resource Characterization Program to identify the location and characteristics of underground energy resources through the use of slim-hole bores and requires a related environmental assessment or environmental impact statement. Requires a report to the legislature. Appropriates funds.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

SB. NO. 3081

JUSTIFICATION SHEET

DEPARTMENT: Business, Economic Development, and Tourism

TITLE: A BILL FOR AN ACT RELATING TO A PROGRAM TO CHARACTERIZE THE POTENTIAL OF UNDERGROUND ENERGY RESOURCES STATEWIDE.

PURPOSE: To establish the Underground Energy Resource Characterization Program to identify the location and characteristics of underground energy resources through the use of slim-hole bores, and to require a related environmental assessment or environmental impact statement.

MEANS: Add a new section to part I of chapter 196, Hawaii Revised Statutes.

JUSTIFICATION: The bill establishes a new program to identify the State's carbon sequestration potential and to map the location and temperature of underground water and geothermal resources in collaboration with the Hawaii groundwater and geothermal resources center at the University of Hawaii or similar institution. By doing so, the State will promote responsible resource characterization, scientific exploration, environmental assessment, and community engagement, while providing transparent information about underground energy and water resources. These efforts directly support the State's goals for sustainability, economic development, and environmental protection.

Impact on the public: The public would benefit from greater knowledge about water, geothermal resources, and carbon sequestration resources that can help strengthen local food security and achieve energy decarbonization goals.

Impact on the department and other agencies: Pursuant to Hawaii Revised Statutes chapter 182, geothermal resources are reserved to

the State, and the Department of Land and Natural Resources is responsible for the leasing, permitting, and regulation of mineral exploration and development; therefore, this work intersects with the department. The Department of Health is responsible for protection of underground sources of drinking water, coordination with the Department of Health is necessary during the environmental assessment to ensure compliance with Hawaii Administrative Rules title 11, chapter 23, if development activities are pursued.

GENERAL FUND: None.

OTHER FUNDS: $6,000,000 from the Energy Security Special Fund for fiscal year 2026-2027.

PPBS PROGRAM DESIGNATION: BED-120.

OTHER AFFECTED AGENCIES: Department of Land and Natural Resources, Department of Health, and University of Hawaii.

EFFECTIVE DATE: July 1, 2026.