

FEB 04 2008

SENATE CONCURRENT RESOLUTION

REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM AND THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO STUDY THE FEASIBILITY OF CREATING A RENEWABLE ENERGY SUB-DISTRICT CLASSIFICATION OF LANDS AS PERMISSIBLE LOCATIONS FOR RENEWABLE ENERGY GENERATION AND TO STUDY, WITH THE ASSISTANCE OF THE DEPARTMENT OF TAXATION, THE COST OF PROVIDING A NON-REFUNDABLE INCOME TAX CREDIT TO RESIDENTS OF COMMUNITIES OF RENEWABLE ENERGY SUB-DISTRICTS THAT PRODUCE RENEWABLE ENERGY.

1 WHEREAS, the inevitability of global warming through human
2 activity, primarily through the utilization of fossil fuels for
3 energy, has come to be accepted as a real and present problem
4 worldwide and presents the greatest challenge to be addressed in
5 contemporary times; and

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7 WHEREAS, the State of Hawaii is almost entirely dependent
8 on fossil fuels for its energy needs, and the Legislature made a
9 finding (Act 95, Session Laws of Hawaii 2004) that Hawaii
10 imports between \$2,000,000,000 and \$3,000,000,000 worth of oil
11 annually, which could be reduced through increasing the use and
12 development of renewable energy resources found in Hawaii such
13 as wind, solar, ocean thermal, wave, and biomass resources; and

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15 WHEREAS, increasing the use of renewable energy and
16 simultaneously decreasing the use of fossil fuels will reduce
17 the State's production of greenhouse gases and increase the
18 State's energy self-sufficiency; and

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20 WHEREAS, in recognition of the foregoing, Act 95 was
21 enacted to decrease Hawaii's need to import large amounts of
22 oil, and increase import substitution, economic efficiency, and
23 productivity, by increasing the use and development of Hawaii's
24 renewable energy resources through state partnerships with the
25 private sector; and

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1 WHEREAS, Act 95 requires electric utility companies to
2 establish a renewable energy portfolio standard of fifteen per
3 cent of net electricity sales by December 31, 2015, and twenty
4 per cent of net electricity sales by December 31, 2020; and
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6 WHEREAS, communities that are progressive, socially
7 conscientious, and environmentally responsible commit to the
8 development of renewable energy generators such as wind turbines
9 and photovoltaic panels; and
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11 WHEREAS, a significant impediment to the development of
12 renewable energy resources in communities is the objection of
13 residents to proposals to locate renewable energy generators in
14 their community; and
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16 WHEREAS, such community objection presents a challenge to
17 the private sector in securing locations for land-based
18 renewable energy production to comply with the mandated
19 renewable energy portfolio standards in Act 95; and
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21 WHEREAS, securing locations for land-based renewable energy
22 production is necessary to assist the private sector to achieve
23 the renewable energy portfolio standards as stated in Act 95;
24 and
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26 WHEREAS, Act 95 requires the Department of Business,
27 Economic Development, and Tourism and the Department of Land and
28 Natural Resources to support and facilitate achievement of the
29 renewable energy portfolio standards (section 196-41, Hawaii
30 Revised Statutes); and
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32 WHEREAS, federal legislation to create renewable energy
33 zones, S. 2076, is presently pending in the United States
34 Congress, and would provide for the creation of geographic
35 renewable energy zones; and
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37 WHEREAS, financial incentives for community residents to
38 accept renewable energy generators in their community may
39 include non-refundable income tax credits; and
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41 WHEREAS, an example of a state-provided financial incentive
42 is the Alaska Permanent Fund that makes payments to Alaska
43 residents from oil proceeds, in return for the residents'
44 acquiescence to locating oil facilities in their communities;



1 now, therefore,

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3 BE IT RESOLVED by the Senate of the Twenty-fourth
4 Legislature of the State of Hawaii, Regular Session of 2008, the
5 House of Representatives concurring, that the Department of
6 Business, Economic Development, and Tourism and the Department
7 of Land and Natural Resources are requested to study the
8 feasibility of creating a renewable energy sub-district
9 classification of lands as permissible locations for renewable
10 energy generation; and

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12 BE IT FURTHER RESOLVED that the study refer to the
13 December 2006 report to the Department of Land and Natural
14 Resources and the Department of Business, Economic Development,
15 and Tourism, *A Catalog of Potential Sites for Renewable Energy*
16 *in Hawaii*, that identifies potential sites in the State for the
17 location of renewable energy generation; and

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19 BE IT FURTHER RESOLVED that the study include a cost
20 analysis of providing a non-refundable income tax credit to
21 residents of lands in renewable energy sub-districts; and

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23 BE IT FURTHER RESOLVED that the Department of Taxation is
24 requested to assist with the income tax credit portions of the
25 study; and

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27 BE IT FURTHER RESOLVED that the Departments of Business,
28 Economic Development, and Tourism and Land and Natural Resources
29 report their findings and recommendations, including proposed
30 legislation, to the Legislature no later than twenty days prior
31 to the convening of the Regular Session of 2009; and

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33 BE IT FURTHER RESOLVED that certified copies of this
34 Concurrent Resolution be transmitted to the Director of
35 Business, Economic Development, and Tourism, the Chairperson of
36 the Board of Land and Natural Resources, the Director of
37 Taxation, and the Governor.

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