

Honolulu, Hawaii

FEB 16 2007

RE: S.B. No. 1612  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Madam:

Your Committee on Energy and Environment, to which was referred S.B. No. 1612 entitled:

"A BILL FOR AN ACT RELATING TO GREENHOUSE GAS EMISSIONS,"

begs leave to report as follows:

The purpose of this measure is to improve the environmental quality of the State by reducing greenhouse gas emissions.

Specifically, this measure establishes a greenhouse gas emissions reduction program in which the Department of Health is required to establish greenhouse gas emission limits and emission reduction standards to achieve the maximum technologically feasible and cost-effective reductions by January 1, 2008, regularly report and verify statewide greenhouse gas emissions, and monitor and enforce compliance. This measure authorizes the adoption of market based compliance mechanisms and requires the adoption of a statewide greenhouse gas emissions limit equivalent to the statewide levels in 1990 to be achieved by 2020.

Testimony in support of this measure was submitted by the Conservation Council for Hawai'i; Hawaii Solar Energy Association; Honolulu Seawater Air Conditioning, LLC; Life of the Land; Respiratory and Environmental Disabilities Association of Hawaii; Sierra Club, Hawai'i Chapter; Windward Ahupua'a Alliance; and twenty-three individuals. Testimony in opposition to this measure was submitted by the Department of Health and Western States Petroleum Association. Covanta Energy Group, operator of HPOWER; Hawaiian Electric Company, Inc.; Hawaii Electric Light Company,



Inc.; and Maui Electric Company, Inc. One individual submitted comments.

Your Committee finds that, given our precious and finite resources, it is essential that Hawaii continue its tradition of environmental leadership by moving forward in efforts to reduce emissions of greenhouse gases. In doing so, Hawaii will not only serve as an example, but will also position the State's economy, technology centers, financial institutions, and businesses to benefit from national and international efforts to reduce emissions of greenhouse gases.

Your Committee further finds that it is important to reduce greenhouse gas emissions and its global warming effect for the sake of preserving our native flora, fauna, and our community health. Failing to take action now could result in natural catastrophes in the not too distant future, including rising sea levels, salination of the State's aquifers, and other, as of yet unforeseen problems.

This measure was amended to:

- (1) Give the new chapter added by the bill the title of "Global Warming Solutions Act of 2007;"
- (2) Provide more information in the purpose section, including the recent predictions on the rise in sea level as per the United Nations Panel on Climate Change;
- (3) Require the Director of Health to consult with the Department of Business, Economic Development, and Tourism in making the determination of the 1990 greenhouse gas emissions level and for ongoing reporting of reduction plans, in order to ensure accuracy and consistency;
- (4) Postpone all start dates an additional six months, in order to give the State five full years to prepare for the new rules and regulations, and to push back the early action reduction items and scoping plan an additional six months accordingly;
- (5) Reflect the fact that, given the existing policies and rules that are in place, some duplication will be unavoidable with regard to the scoping plan, by changing



the non-duplication requirement to one of minimizing duplication;

- (6) Provide an appropriation of an unspecified sum for each year of the 2007-2009 fiscal biennium for the purposes of carrying out this measure, including the hiring of any necessary staff;
- (7) Delete the establishment of the environmental justice and technological advisory committees;
- (8) Delete the section regarding the adoption of methodologies since these methodologies can be captured under the market mechanisms section; and
- (9) Postpone the effective date to July 1, 2020, to provide for further discussion of the measure.

Technical, nonsubstantive changes have also been made for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1612, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1612, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Energy and  
Environment,



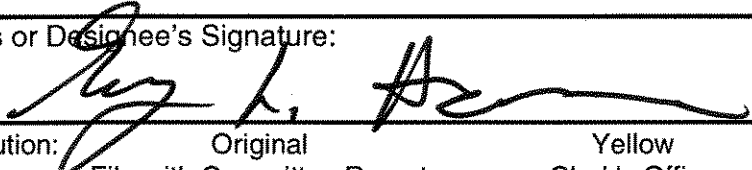
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RON MENOR, Chair



The Senate  
Twenty-Fourth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Energy and Environment**  
**ENE**

Bill / Resolution No.:* <b>SB 1612</b>	Committee Referral: <b>ENE, WAM</b>	Date: <b>2/13/07</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
MENOR, Ron (C)	✓			
HOOSER, Gary L. (VC)	✓			
IHARA, Jr., Les	✓			
KOKUBUN, Russell S.				✓
TRIMBLE, Gordon	✓			
<b>TOTAL</b>	<b>4</b>			<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution:             Original             Yellow             Pink File with Committee Report             Clerk's Office             Drafting Agency				

\*Only one measure per Record of Votes