

Honolulu, Hawaii

March 27, 2015

RE: S.B. No. 349
S.D. 2
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred S.B. No. 349, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to promote greater energy security for Hawaii by:

- (1) Establishing a refundable renewable fuels production tax credit; and
- (2) Repealing the ethanol facility tax credit.

The Hawaii Energy Policy Forum, Hawaii Renewable Energy Alliance, Pacific Biodiesel Technologies, Renewable Energy Action Coalition of Hawaii, Hawaii Clean Energy Foundation, and Hawaiian Electric Vehicle Network supported the measure. The Ulupono Initiative supported the measure with amendments. The Department of Business, Economic Development, and Tourism; Department of Taxation; Tax Foundation of Hawaii; and Bioenergy Associates LLC submitted comments.

Your Committee has amended the measure by:

- (1) Specifically including sugar and starch crops including but not limited to sugar cane and cassava as renewable



feedstocks, from which qualifying renewable fuels can be produced; and

- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 349, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 349, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,



CHRIS LEE, Chair



Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.: SB 349/SD 2	Committee Referral: EEP, FIN	Date: 3/19/15		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EEP Members	Ayes	Ayes (WR)	Nays	Excused
1. LEE, Chris (C)	/			
2. LOWEN, Nicole E. (VC)	/			
3. CULLEN, Ty J.K.	/			
4. EVANS, Cindy	/			
5. ING, Kaniela	/			
6. NISHIMOTO, Scott Y.	/			
7. SAY, Calvin K.Y.			/	
8. YAMANE, Ryan I.	/			
9. POUHA, Feki	/			
10. THIELEN, Cynthia	/			
TOTAL (10)	9	0	1	0
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u>Nicole E. Lowen</u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				