

Honolulu, Hawaii

FEB 19 2016

RE: S.B. No. 2535
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committees on Transportation and Energy, Public Safety, Intergovernmental, and Military Affairs, and Water, Land, and Agriculture, to which was referred S.B. No. 2535 entitled:

"A BILL FOR AN ACT RELATING TO GEOTHERMAL,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Allow counties to adopt ordinances to regulate geothermal resources exploration conducted less than one mile from a residence if the ordinance is not inconsistent with state law;
- (2) Prohibit counties from adopting ordinances to regulate geothermal resources exploration conducted one mile or more from a residence;
- (3) Clarify that the regulation of geothermal resources development and geothermal resources exploration is reserved to the State unless delegated to the counties by statute;
- (4) Require the lessee of a mining lease to comply with all water and air pollution control laws, relating to building, grading, and flood control codes; and
- (5) Require the rules of the Board of Land and Natural Resources regarding mining operations, geothermal



resource development, and geothermal resource exploration, including drilling conditions and restrictions, to be uniform throughout the State.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Hawaii Association of REALTORS, Hawaii Laborers-Employers Cooperation Education Trust, and four individuals. Your Committees received testimony in opposition to this measure from the Life of the Land; Puna Pono Alliance; We Are One, Inc.; Laakea Community LLC; Pele Lani Farm, LLC; and numerous individuals. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism; Office of Hawaiian Affairs; and two individuals.

Your Committees find that the cost of electricity in the State of Hawaii exceeds the costs of electricity in every other state. Reducing electricity costs depends in part on diversifying the energy sources within the State. Geothermal energy is a firm source of indigenous, renewable energy that could be made available at low costs.

Your Committees further find that the development and regulation of geothermal energy development and production is a matter of statewide concern. Your Committees believe that regulations concerning the development of geothermal energy, geothermal energy exploration, and geothermal mining operations should be uniform throughout the State, and not subject to restrictions imposed by the counties that are inconsistent with or contrary to state laws and regulations.

Your Committees have amended this measure by:

- (1) Deleting language authorizing the counties to adopt ordinances to regulate geothermal resources exploration conducted less than one mile from a residence;
- (2) Deleting language prohibiting the counties from adopting ordinances to regulate geothermal resources development conducted one mile or more from a residence;
- (3) Adding a purpose section; and
- (4) Inserting an effective date of June 22, 2022, to encourage further discussion.



As affirmed by the records of votes of the members of your Committees on Transportation and Energy, Public Safety, Intergovernmental, and Military Affairs, and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2535, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2535, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committees on Transportation and Energy, Public Safety, Intergovernmental, and Military Affairs, and Water, Land, and Agriculture,

Clarence K. Nishihara
CLARENCE K. NISHIHARA, Chair

Lorraine R. Inouye
LORRAINE R. INOUE, Chair

Mike Gabbard
MIKE GABBARD, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

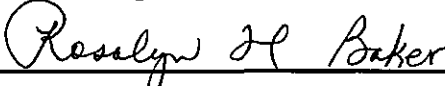
Record of Votes
Committee on Transportation and Energy
TRE

Bill / Resolution No.:* <i>SB 2535</i>	Committee Referral: <i>TRE/PSM/WLA,WAM</i>	Date: <i>17 Feb 2016</i>		
<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
INOUYE, Lorraine R. (C)	/			
GABBARD, Mike (VC)				/
CHUN OAKLAND, Suzanne			/	
ENGLISH, J. Kalani	/			
KIDANI, Michelle N.	/			
NISHIHARA, Clarence K.	/			
SLOM, Sam			/	
TOTAL	4		2	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>J. Kalani English</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

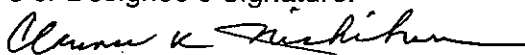
Record of Votes
Committee on Public Safety, Intergovernmental and Military Affairs
PSM

Bill / Resolution No.:* SB2535	Committee Referral: TRE/PSM/WLA, WAM	Date: 2-17-2016		
<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
NISHIHARA, Clarence K. (C)	✓			
ESPERO, Will (VC)	✓			
BAKER, Rosalyn H.	✓			
INOUYE, Lorraine R.	✓			
SLOM, Sam			✓	
TOTAL	4	—	1	—
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

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Record of Votes
Committee on Water, Land, and Agriculture
WLA

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2535	TRE/PSM/WLA, WAM	02-17-16		
<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
GABBARD, Mike (C)	/			
NISHIHARA, Clarence K. (VC)	/			
DELA CRUZ, Donovan M.	/			
RIVIERE, Gil			/	
RUDERMAN, Russell E.			/	
SHIMABUKURO, Maile S.L.		/		
THIELEN, Laura H.			/	
WAKAI, Glenn		/		
SLOM, Sam			/	
TOTAL	3	2	4	
Recommendation:				
<input checked="" type="checkbox"/> Adopted		<input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes