

HB 2502 HD2

LINDA LINGLE
Governor



State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512

SANDRA LEE KUNIMOTO
Chairperson, Board of Agriculture

DUANE K. OKAMOTO
Deputy to the Chairperson

TESTIMONY OF SANDRA LEE KUNIMOTO
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEES ON
AGRICULTURE AND HAWAIIAN AFFAIRS
AND
ENERGY AND ENVIRONMENT
THURSDAY, MARCH 20, 2008
2:45 p.m.
Room 224

HOUSE BILL 2502, HOUSE DRAFT 2
RELATING TO SOLAR ENERGY

Chairpersons Tokuda and Menor and Members of the Committees:

Thank you for the opportunity to testify on House Bill No. 2502, House Draft 2 that proposes to designate solar energy facilities as a permissible use in the Agricultural District on Land Study Bureau "D" and "E" rated agricultural land. The Department of Agriculture supports the responsible development of renewable energy resources from a wide array of sources. House Draft 2 promotes the development of solar energy facilities by making them a permissible use within the Agricultural District, thereby reducing the land use permits necessary for their development and operation. The Department of Agriculture supports this measure with one amendment.

Agricultural lands with Land Study Bureau "D" and "E" overall productivity ratings often have value for agricultural production. Perhaps the most well-known example of high-value production on "E"-rated land is Kona coffee which thrives on unirrigated and rocky soil. There are many cases throughout the State where "marginal" lands achieve a rating of "C", "B", and even "A" if irrigation is available. When sugarcane cultivation dominated the agricultural landscape not too many years ago, the majority of small farmers established their businesses on "D" and "E" lands. Even where irrigation is

unavailable, there are many areas where "D" and "E" lands are in extensive agricultural production such as cattle grazing lands or intensively used such as the Puna/Kapoho area for papaya. Nursery and foliage operations excel on crushed lava lands that are rated "E".

To ensure that solar energy facilities do not adversely affect agricultural uses and activities, the Department recommends the following amendment (in bold print, double-underscored):

(page 3, end of line 4)

(6) Solar energy facilities; provided that this paragraph shall apply only to land with soil classified by the land study bureau's detailed land classification as overall (master) productivity rating class D or E, **and where the solar energy facility is compatible with agricultural uses and activities on the parcel and adjacent parcels;**



Hawaii Farm Bureau
F E D E R A T I O N

2343 Rose Street, Honolulu, HI 96819
PH: (808)848-2074; Fax: (808) 848-1921

March 20, 2008

HEARING BEFORE THE
SENATE COMMITTEE ON AGRICULTURE & HAWAIIAN AFFAIRS
AND
SENATE COMMITTEE ON ENERGY AND ENVIRONMENT

TESTIMONY ON
HB 2502, HD 2
RELATING TO SOLAR ENERGY

Chair Tokuda and Chair English and committee members:

My name is Alan Takemoto, Executive Director, of the Hawaii Farm Bureau Federation, which is the largest non-profit general agriculture organization representing approximately 1,600 farm and ranch family members statewide.

The Hawaii Farm Bureau Federation (HFBF) supports the intent of HB 2502, HD 2, which makes solar energy facilities a permitted use in the agricultural district on class D or E land.

While we support the growth of renewable energy activities for the entire State of Hawaii, we must be cognizant of how these non-agricultural uses will affect existing small farm operations who occupy lands that are not considered prime agricultural lands, but unique and important to those that can make these lands productive. Areas such as the Kona coffee belt may not have deep rich soil, but have other soil and environmental qualities that is prime for growing coffee. We also need to be aware of how these renewable energy facilities will interface with existing and future agricultural uses that may have to compete for all agricultural lands and resources statewide. We have always believed that food production is a priority and a necessity for Hawaii's self. We strongly support the idea of allowing renewable energy activity as a secondary and accessory to the agricultural activity,

Thank you for allowing us to testify on this measure.

**DOWLING
COMPANY, INC**

March 19, 2008

e-mail testimony to: testimony@capitol.hawaii.gov

Hearing on HB2502, HD2, Relating to Solar Energy
Before the Senate Committees on Agriculture & Hawaiian Affairs and
Energy & Environmental
on Thursday, March 20, 2008 at 2:45 p.m. in Conference Room 224

Dear Chairs Tokuda and Menor, and members of the Committee:

My name is Jennifer Stites and I am the Green Development Manager for Dowling Company, Inc. ("DCI"). DCI is a Maui-based real estate development company that is committed to sustainable development. To guide this effort and determine our performance metrics, we have adopted the nationally recognized U.S. Green Building Council's ("USGBC") Leadership in Energy and Environmental Design ("LEED") rating system. As the land owner of 1800 acres in Makena, including the Maui Prince Hotel and Makena North and South Golf Courses, we have set the very ambitious goal of developing a net-zero energy community. Through energy reduction and renewable energy production on-site, we hope to develop a model sustainable community for Hawaii.

Therefore, we applaud the Senate and House Majority in introducing this bill which makes solar energy facilities a permitted use in the agricultural district on class D or E lands. **We are in strong support of HB2502, HD2 Relating to Solar Energy.**

This bill will stream line the process to site solar energy facilities in the agricultural district on class D or E lands, and thus, encourage the use of solar energy and reduce Hawaii's dependency on fossil fuels. For example, DCI currently has 40-50 acres of land in Makena that it plans to use for a solar farm. The land is in the agricultural district and is classified as E land. They are not suitable for the cultivation of crops and because of the limited acreage they are not suitable for grazing or pasture lands. If we do not use this land for a solar farm, it will remain barren and unproductive.

Thank you for the opportunity to testify in support of this important measure, HB2502, HD2.



100 Kahelu Avenue
Mililani, Hawai'i 96789-3997
P.O. Box 898900
Mililani, Hawai'i 96789-8900
(808) 548-4811 • Fax (808) 548-6670

Testimony by Castle & Cooke Hawaii

Before the Senate Committees on Agriculture and Hawaiian Affairs and Energy and Environment

March 20, 2008

2:45 p.m.

Room 224

HB 2502, HD2 Relating to Solar Energy

Chairs Tokuda and Menor, Vice Chairs English and Hooser, and Members of the Committees:

On behalf of Castle & Cooke Hawaii, thank you for allowing me to testify today.

I am Tim Hill, Executive Vice President, Castle & Cooke Lanai Renewable Energy Programs; here to express our strong support for HB 2502, HD2, clarifying that solar facilities will be an approved use on agricultural D and E land.

Castle & Cooke is committed to bringing renewable energy to Hawaii. Today, I want to tell you what Castle & Cooke is doing, our record of delivering on our commitments, and why we believe that HB 2502, HD2 is essential to our efforts and to the success of the State's renewable energy mandate.

We strongly support HB 2502, HD2 and want to emphasize that Castle & Cooke's proposed solar energy facilities are going to be placed on land that has been fallow for more than twenty years. Castle & Cooke's proposed solar energy facilities will NOT displace any farmers or create a competitive situation for natural resources. Rather, Castle & Cooke's Lanai renewable energy projects will take land that is currently non-productive and create clean energy resources that will support the state's renewable energy mandate.

Castle & Cooke Renewable Energy Programs

Castle & Cooke is committed to supporting Hawaii's energy independence by developing alternative energy resources on the island of Lanai while preserving unique environmental, cultural and historic resources found on the island.

In her State of the State address, Governor Lingle challenged all of us to move Hawaii away from oil dependence and to do so "more rapidly than some would like and others believe possible." We share this view that the time for action is now.

At Castle & Cooke, we have already initiated projects to reduce reliance on fossil fuels and to transform Lanai into a showcase for renewable and green energy.

Our projects include:

- **Solar:** Awaiting permit approval to create largest solar farm in Hawaii
 - Converts 10 acres of "grade D" ag land to 1.5 MW solar farm
 - Can supply up to 10% of Lanai's annual electricity needs
- **Wind:** Examining economic, cultural and environmental feasibility
 - Goal is 300-400 MW wind farm from towers spaced across 10,000 acres in northern Lanai
 - Could supply up to 15% of Oahu's peak power needs
- **Bio-Fuels:** Exploring feasibility of growing crops for fuel
 - Test crops of jatropha
 - Working with UH College of Tropical Agriculture and HARC (with Dole Food Company)

The investments we are prepared to make reflect our commitment to Hawaii:

- Close to \$1 billion for solar and wind energy projects
- The State is pursuing an important agenda for energy independence and other needs while struggling with a potential budget shortfall of \$350 million. Castle & Cooke is committed to renewable energy, and we're ready to make it happen in Hawaii.
- Our goal is to make Lanai powered by 100% renewable energy

In opening remarks, House Speaker Calvin Say noted that, "If we could just produce half of Hawaii's energy, we could add at least \$2 billion to the state's economy. And the money stays here." Castle & Cooke's renewable energy projects are a big step toward that vision.

We foresee additional benefits for the people of Lanai and Hawaii. We believe our projects will help stabilize energy costs and thus stabilize the cost of living in our state. We also believe that they will provide new job opportunities for residents. And we know that they will help us utilize our bountiful natural resources. All of which means, these projects are instrumental in building a truly sustainable Hawaii.

Senate President Colleen Hanabusa said that when it comes to sustainability, we all play for the same team. Castle & Cooke is a committed part of that team.

Castle & Cooke: Part of Hawaii's Past, Part of Hawaii's Future

Castle & Cooke has been a business leader in Hawaii for 150 years, and we plan to be here for the next 150 years. We like to say that we are "Investing in Hawaii...Creating communities...Delivering dreams."

You may know Castle & Cooke as a leading agriculture and land development company. We're also a diversified firm with the commitment and resources to deliver solutions. Look at our track record:

- Mililani: We promised a diverse, master-planned community for Hawaii families, and we delivered:
 - Home to over 50,000 people in more than 16,000 homes.
 - Mililani is the only Hawaii community to be designated an All-America City.
 - In 2005, *Money* magazine called Mililani one of the best places to live in the United States.
 - Started in 1968, we will complete Mililani on the first quarter of 2008; a 40 year commitment of providing homes for Hawaii Families
- Our total investment is in the order of \$3.85 billion in infrastructure and vertical construction; an average of \$96 million each year for the past 40 years.

We see renewable energy as essential for Hawaii's future, and our commitment to that future comes directly from our owner, Mr. David Murdock, who has

committed resources to make it happen. We believe renewable energy projects provide and efficient and best use of our Lanai lands, and can provide positive results for the future of Hawaii.

Renewable energy is essential to that future. We are prepared to invest close to \$1 billion of our resources in renewable energy. That's our commitment. We will deliver.

Castle & Cooke supports HB 2502, HD2 because the legislation provides much needed clarification that solar facilities are a permitted use on D and E agricultural land.

On behalf of Castle & Cooke, I ask for your support for HB 2502, HD2. Mahalo and thank you for your consideration of our testimony.

If you have any questions, please feel free to contact:

Harry Saunders
President, Castle & Cooke Hawaii
aktsukamoto@castlecooke.com
548-4811

Tim Hill
Executive Vice President, Castle & Cooke Lanai Renewable Energy Programs
thill@castlecooke.com
559-0286

Carleton Ching
Vice President, Castle & Cooke Hawaii, Community and Government Relations
cching@castlecooke.com
548-3776



**The Chamber of
Commerce of Hawaii**

Since 1850

**Testimony to the Senate Committees on Agriculture and Hawaiian Affairs and
Energy and Environment
Thursday, March 20, 2008 at 2:45 p.m.
Conference Room 224, State Capitol**

RE: HOUSE BILL NO. 2502, HD2 SOLAR ENERGY

Chairs Tokuda and Menor, Vice Chairs English and Hooser, and Members of the Committees:

My name is Jim Tollefson and I am the President and CEO of The Chamber of Commerce of Hawaii ("The Chamber"). The Chamber of Commerce of Hawaii strongly supports H.B. 2502 HD 2.

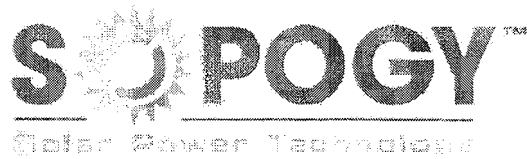
The Chamber is the largest business organization in Hawaii, representing 1100 businesses. Approximately 80% of our members are small businesses with less than 20 employees. The organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

H.B. No. 2502 HD 2, proposes to amend Section 205-2 HRS to include a solar energy facility as a "permitted use" within the agricultural district on land with soil classified as overall (master) productivity rating class D or E by the land study bureau's detailed land classification.

The purpose of identifying a solar energy facility as a "permitted use" in the agricultural district would simplify the permitting process by eliminating the need for a conditional use permit from the county.

Streamlining and expediting the permitting process seems to be a step in the right direction to create incentives for investment in alternative energy in Hawaii. With our abundance of agricultural zoned lands and the current constraints on developing alternative energy in anyone of the other land use categories (e.g. Urban, Rural and Conservation) it seems logical to encourage development of alternative energy in the agricultural district.

Thank you for this opportunity to express our views.



**To: Senator Jill Tokuda, Chair
Committee on Agriculture and Hawaiian Affairs**

**Senator Menor, Chair
Committee on Energy and Environment**

From: Sopogy Inc.

Date: March 18, 2008

Subject: Support for HB 2502 HD2 – Relating to Solar Energy

Chair Tokuda, Chair Menor, Vice Chair English, Vice-Chair Hooser, and Members of the Committees:

Sopogy, Inc. is a renewable technology company based in Hawaii and our purpose is to bring renewable solar energy technologies to Hawaii and its people for the betterment of our environment, independence from volatile imported fossil fuels, and energy stability. Sopogy has developed a concentrating solar panel that enables the production of electricity, air conditioning, and/or process heat using the sun's power.

Sopogy supports HB 2502 HD2 in that the Bill would permit solar energy facilities on land with soil classified D or E. These lands account for over 70% of the State's agricultural land and would allow for additional solar energy facilities to supply electricity to be used by the local utility or internal processes such as pumping water from deep, fresh water wells.

In general, Sopogy, Inc. supports the adoption of renewable energy and energy efficiency measures that lessen the state's dependence on oil, reduce greenhouse gas emissions, and provide energy price stability to Hawaii's consumers.

Thank you for this opportunity to testify.



Power | Process Heat | Air Conditioning



COLLEGE OF SOCIAL SCIENCES
HAWAII ENERGY POLICY FORUM
UNIVERSITY OF HAWAII AT MĀNOA

Hawai'i Energy Policy Forum

Mr. Robbie Alm, HECO
Ms. Amy Asselbaye, Ofc of US Rep.
Neil Abercrombie
Ms. Madeleine Austin, World Business
Academy
Ms. Catherine Awakuni, Div. of
Consumer Advocacy
Mr. Warren Bollmeier
Hi Renewable Energy Alliance
Mr. Carlito Caliboso, PUC (Observer)
Mr. Albert Chee, Chevron
Mr. Kyle Datta, U.S. Biofuels
Sen. Kalani English, HI State Senate
Mr. Mitch Ewan, UH HNEI
Mr. Carl Freedman
Haiku Design and Analysis
Mr. Mark Glick, OHA
Mr. Steve Golden, The Gas Company
Dr. Michael Hamnett, RCUH
Ms. Paula Helfrich, EDAH
Mr. William Kaneko, HI Institute for
Public Affairs
Mr. Darren Kimura, Energy Industries
Holdings
Mr. Mike Kitamura, Ofc of US Sen.
Daniel K. Akaka
Mr. Kai Kobayashi, Maui County
Mr. Laurence Lau, DOH
Ms. Yvonne Lau, Ofc of US Rep.
Mazie Hirono
Mr. Allyn Lee, C&C of HNL
Mr. Aaron Leong, Ofc of US Senator
Daniel K. Inouye
Dr. Stephen Meder, AIA-Honolulu
Sen. Ron Menor, HI State Senate
Mr. Jeff Mikulina, Sierra Club
Dr. Bruce Miller, UH Ofc of
Sustainability
Dr. Sharon Miyashiro, Social
Sciences Public Policy Ctr.
Rep. Hermina Morita, HI State
House of Representatives
Mr. Tim O'Connell, USDA/Rural
Development
Mr. Richard Paglinawan
Pa Ku'i A Lua
Ms. Melissa Pavlicek, Western States
Petroleum Assn
Mr. Randy Perreira, HI State AFL-CIO
Mr. Rick Reed, Inter-Island
Solar Supply
Dr. Rick Rocheleau, UH HNEI
Mr. Peter Rosegg, HECO
Mr. Steven Rymsha, KIUC
Mr. Riley Saito, PowerLight Corp.
Mr. Glenn Sato, Kauai County OED
Ms. Carilyn Shon, DBEDT
Mr. Bill Short, BIA of Hawaii
Mr. Ray Starling, HI Energy Grp
Mr. Lance Tanaka, Tesoro HI Corp
Dr. Don Thomas, UH Center for the
Study of Active Volcanoes
Mr. Murray Towill, Hawai'i
Hotel Assn
Ms. Joan White, Hon Community
Action Program

Testimony of
Warren Bollmeier
Co-Chair – Renewable Energy Working Group
Hawai'i Energy Policy Forum

Senate Committee on Agriculture & Hawaiian Affairs
Senate Committee on Energy & Environment
Thursday, March 20, 2008
2:45 pm
Conference Room 224

IN SUPPORT OF H.B. 2502, H.D. 2 - Relating to Solar Energy

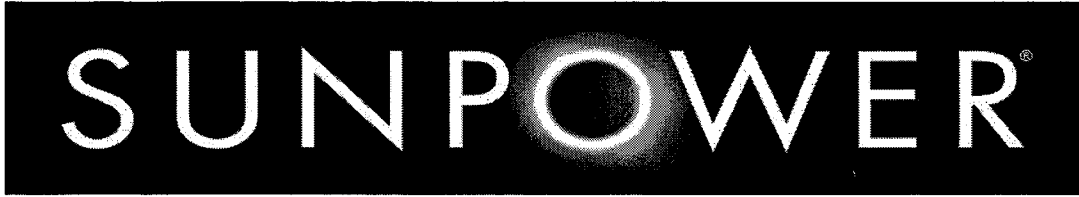
I am Warren Bollmeier, Co-Chair of the Renewable Energy Working Group of the Hawaii Energy Policy Forum ("Forum"). The Forum is comprised of 46 representatives from the electric utilities, oil and natural gas suppliers, environmental and community groups, renewable energy industry, and federal, state and local government, including representatives from the neighbor islands. We have been meeting since 2002 and have adopted a common vision and mission, and a comprehensive "10 Point Action Plan," which serves as a framework and guide for meeting our preferred energy vision and goals.

The Forum supports the passage of HB 2502, HD 2 as it helps achieve the goal of Point One - expand renewable energy opportunities.

The purpose of HB 2502, HD 2 is to make solar energy facilities a permitted use in the agricultural district on class D or E land. Allowing the use of marginal lands for solar energy facilities will increase opportunities for the further development of renewable energy use in Hawaii. The Forum is aware, however, that there may be competing agricultural uses for these lands and as such, there should be further discussion on this measure to ensure that the best use of the lands is achieved.

Thank you for this opportunity to testify.

This testimony reflects the position of the Forum as a whole and not necessarily of the individual Forum members or their companies or organization



LATE

JOINT COMMITTEE MEETING

**COMMITTEE ON AGRICULTURE AND HAWAIIAN AFFAIRS
AND
COMMITTEE ON ENERGY AND ENVIRONMENT**

Room # 224 2:45 PM March 20, 2008

HB 2502, HD2 RELATING TO SOLAR ENERGY

**Senator Jill N Tokuda, Chair and
Senator Ron Menor Chair, and
Committee Members:**

Thank you for the opportunity to testify **in support of HB 2502, HD2**. My name is John Crouch Senior Consultant, Pacific Region, and Project Manager – Lanai for **SunPower Corporation** Systems.

SunPower Corp (previously PowerLight Corporation) is the leading global provider of large-scale solar power systems; with over 250 megawatts of photovoltaic power installed and operating world wide. **SunPower Corp** has been a supporter of the renewable energy initiatives in Hawaii for over ten years. Mahalo in advance, for accepting these few comments in strong support of **HB 2502, HD2**.

SunPower Corp agrees that agricultural land designated D and E should be available for use for renewable energy. The law already allows wind and bio-fuels in Ag lands. It should therefore follow that certain Ag lands should be available for photovoltaic technology since the three technologies all get their energy from the sun.

By including solar energy facilities as permitted use in class D and E AG lands we bring another energy tool into play to significantly reduce the use of expensive and scarce fossil fuel for the production of electricity.

Use of PV on Ag land does not preclude the use of the land for other Ag uses. Sheep are regularly grazed under PV panels and low rising crops can be grown since the PV panels, allow sufficient sunlight and rain fall to sustain such crops.

PV energy is, clean, quiet, non invasive, and possesses over ten years of experience for use in Hawaii to commercially generate electricity. I respectfully request that you **pass HB 2502 HD2 as presented**.

Mahalo, John J. Crouch

**The Pacific Resource
PARTNERSHIP**



Testimony of C. Mike Kido
External Affairs
The Pacific Resource Partnership

Committee on Agriculture and Hawaiian Affairs
Senator Jill Tokuda, Chair
Senator J. Kalani English, Vice Chair

Committee on Energy and Environment
Senator Ron Menor, Chair
Senator Gary Hooser, Vice Chair

HB2502 HD2
Thursday, March 20, 2008
2:45 pm
Conference Room 224

Senators Jill Tokuda and Ron Menor Chairs, and Members of the Committee on Agriculture and Hawaiian Affairs and the Committee on Energy and Environment:

My name is C. Mike Kido, External Affairs of the Pacific Resource Partnership (PRP), a labor-management consortium representing over 220 signatory contractors and the Hawaii Carpenters Union.

The Pacific Resource Partnership strongly support the passage of HB2502 HD2 – Relating to Solar Energy.

HB 2502 HD2 proposed to amend Section 205-2 HRS to include a solar energy facility as a “permitted use” within the agricultural district on land with soil classified as overall (master) productivity rating class D or E by the land study bureau’s detailed land classification.

The purpose of identifying a solar energy facility as a “permitted use” in the agricultural district would simplify the permitting process by eliminating the need for a conditional use permit from the county.

PRP believes that the primary proponents of this proposed legislation have already initiated projects to reduce reliance on fossil fuels and have committed to transform Lanai into a showcase for renewable and green energy.

PRP respectfully ask for your favorable consideration of HB2502 HD2 to demonstrate our commitment to a sustainable community in Hawaii.

Mahalo and thank you for your consideration of our testimony.

HB 2503 HD1

LINDA LINGLE
Governor



State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512

SANDRA LEE KUNIMOTO
Chairperson, Board of Agriculture

DUANE K. OKAMOTO
Deputy to the Chairperson

**TESTIMONY OF SANDRA LEE KUNIMOTO
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE SENATE COMMITTEES ON
AGRICULTURE AND HAWAIIAN AFFAIRS
AND ENERGY AND ENVIRONMENT
THURSDAY, MARCH 20, 2008
2:45 p.m.
Room 224**

**HOUSE BILL 2503, HOUSE DRAFT 1
RELATING TO AGRICULTURAL LANDS**

Chairpersons Tokuda and Menor and Members of the Committees:

Thank you for the opportunity to testify on House Bill No. 2503, House Draft 1. The Department of Agriculture supports this bill and the efforts to increase the development and use of agriculture-based renewable energy resources in as broad a manner as possible. This bill proposes to establish "agricultural-energy facilities" operated by "agricultural-energy enterprises" as a permissible use in the Agricultural District on class "A" and "B" lands with the condition that "...the total acreage devoted to agricultural activity by an agricultural-energy enterprise shall not be less than ninety per cent of the total acreage owned, leased, licensed, or operated by the agricultural-energy enterprise." An agricultural-energy enterprise is defined as a business that "...integrally incorporates an agricultural activity with an agricultural-energy facility." An "agricultural-energy facility" is defined as a facility that generates, stores or distributes renewable energy or fuel derived from products of agricultural activities from agricultural lands located in Hawaii. The "agricultural activity" can be located anywhere in the State and is limited to:

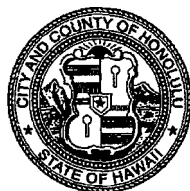
"(1) Cultivation of crops, including but not limited to crops for bioenergy, flowers, vegetables, foliage, fruits, forage, and timber;

- (2) Game and fish propagation;
- (3) Raising of livestock, including but not limited to poultry, bees, fish, or other animal or aquatic life that are propagated for economic or personal use;"

The bill requires agricultural production to be the primary use of qualified agricultural land. It does not appear to preclude or impede "agricultural-energy enterprises" of different scales of operation, crop types, and acreage. We would like to note that this bill and other similar vehicles must recognize and establish a balance between the desire to increase Hawaii's agriculture-based renewable energy resources and other agricultural production needs such as food production.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
TELEPHONE: (808) 768-8000 • FAX: (808) 527-6743
INTERNET: www.honolulu.gov • DEPT. WEB SITE: www.honoluludpp.org



MUFI HANNEMANN
MAYOR

HENRY ENG, FAICP
DIRECTOR

DAVID K. TANOUÉ
DEPUTY DIRECTOR

March 20, 2008

The Honorable Jill N. Tokuda, Chair
and Members of the Committee on Agriculture
and Hawaiian Affairs

The Honorable Ron Menor, Chair
and Members of the Committee on Energy
and Environment
The Senate
State Capitol
Honolulu, Hawaii 96813

Dear Chairs Tokuda, Menor and Members:

**Subject: HOUSE BILL 2503 HD1
Relating to Agricultural Lands**

The Department of Planning and Permitting has **comments** on House Bill 2503 HD1, which allows agricultural-energy facilities on lands in the state agricultural district.

We support increased energy efficiency and use of renewable energy resources. We have no objections to allowing facilities that generate, store or distribute renewable energy or fuel as an accessory use to agriculture.

However, there appears to be a bill-drafting issue in that the bill addresses an accessory use as if it were a principal use. The bill stipulates that 90 percent of the agricultural-energy enterprise must be involved in agriculture; which means the principal use is agriculture, with an accessory component being agricultural-energy processing.

And yet, we recognize that ten percent of a large-sized property devoted to agricultural-energy facilities can involve a significant amount of acreage, and create buffering, visual, safety and odor issues, even as an accessory use. Therefore, outright allowance may not be appropriate, especially if residences are located nearby.

Therefore, consideration should be given to amending Senate Bill 2849 SD1 to allow agricultural-energy facilities as an accessory use under the special permit process to allow for discretionary review. This would allow any adverse impacts to be mitigated by conditions of approval.

The Honorable Jill N. Tokuda, Chair
and Members of the Committee on Agriculture
and Hawaiian Affairs

The Honorable Ron Menor, Chair
and Members of the Committee on Energy
and Environment

The Senate

Re: House Bill 2503 HD1

March 20, 2008

Page 2

Thank you for this opportunity to comment.

Very truly yours,

A handwritten signature in black ink, appearing to read "Henry Eng", with a long, sweeping flourish extending to the right.

Henry Eng, FAICP Director
Department of Planning and Permitting

HE: jmf
hb2503hd1-kh.doc



Hawaii Farm Bureau
F E D E R A T I O N

2343 Rose Street, Honolulu, HI 96819
PH: (808)848-2074; Fax: (808) 848-1921

March 20, 2008

HEARING BEFORE THE
SENATE COMMITTEE ON AGRICULTURE & HAWAIIAN AFFAIRS
AND
SENATE COMMITTEE ON ENERGY AND ENVIRONMENT

TESTIMONY ON
HB 2503
RELATING TO AGRICULTURAL LANDS

Chair Tokuda and Chair English and committee members:

My name is Alan Takemoto, Executive Director, of the Hawaii Farm Bureau Federation, which is the largest non-profit general agriculture organization representing approximately 1,600 farm and ranch family members statewide.

The Hawaii Farm Bureau supports **HB 2503** permits the use of lands in agricultural land use districts to be used for agricultural energy facilities provided that the primary activity of the agricultural energy enterprise is agricultural activity.

The introduction of this Bill is timely, with the increase interest in installation of renewable energy facilities on agricultural lands. We recognize and support the importance of solar energy in Hawaii's future and that it does provide significant opportunities for our farmers and ranchers. We believe that this is part of being self sufficient and by encouraging agricultural operations to generate its own source of power via solar they can be self contained and not be so reliant on the normal public utility.

We respectfully request your support of this measure.

Thank you.



Hawaii Agriculture Research Center

99-193 Aiea Heights Drive, Suite 300

Aiea, Hawaii 96701

Ph: 808-487-5561/Fax: 808-486-5020

**TESTIMONY BEFORE THE SENATE COMMITTEES
ON AGRICULTURE AND HAWAIIAN AFFAIRS
AND
ENERGY AND ENVIRONMENT**

HOUSE BILL 2503 HD1

RELATING TO AGRICULTURAL LANDS

March 20, 2008

Chairs Tokuda and Menor and Members of your Committees:

My name is Stephanie Whalen. I am President and Research Director of the Hawaii Agriculture Research Center (HARC). I am testifying today on behalf of the center, our research and support staff, and our members and clients.

HARC supports House Bill 2503 HD1 Relating to Agricultural Lands allowing agricultural-energy facilities as accessory to agricultural production.

As the state begins to recognize and focus on food and energy security it makes sense to allow, encourage, and ultimately incentivize the co-production of food and fuel producing activities.

Thank you for the opportunity to testify in support of Hawaii's agricultural needs.

**Testimony before the
Senate Committees on**

**Agriculture and Hawaiian Affairs
and
Energy and Environment**

H.B. 2503 HD1– Relating to Agricultural Lands

**Thursday, March 20, 2008
2:45 pm, Conference Room 224**

**By Arthur Seki
Director of Technology
Hawaiian Electric Company, Inc.**

Chairs Tokuda and Menor, Vice Chairs English and Hooser, and Members of the
Committees:

My name is Arthur Seki – I am the Director of Technology in the Energy Solutions & Technology Department at Hawaiian Electric Company. I am testifying on behalf of Hawaiian Electric Company (HECO) and its subsidiary utilities, Maui Electric Company (MECO) and Hawaii Electric Light Company (HELCO), hereby referred to collectively as the HECO Utilities.

We support H.B. 2503 HD1 that permits the use of lands in agricultural land use districts to be used for agricultural-energy facilities.

As you may know, HECO Utilities are committed to exploring and using biofuels in its existing and planned generating units. The use of biofuels can reduce the State's dependence on imported oil and increase the amount of renewable energy from sustainable resources. This commitment by the HECO Utilities is demonstrated by the following initiatives:

- HECO's next power plant (100 MW) on Oahu (located at Campbell Industrial Park) will be 100% biofueled;

- MECO tested biodiesel in its diesel engines and combustion turbine at Maalaea power plant and will conduct further tests;
- HECO and MECO are partnering with BlueEarth Biofuels to build a 40 million gallon per year biodiesel production plant on Maui;
- HECO is providing seed funding to the Hawaii Agriculture Research Center (HARC) and the agriculture departments at the University of Hawaii's Manoa and Hilo campuses to conduct biofuel crop research; and
- HECO is examining micro-algae biofuel development that could use carbon dioxide from our power plant stacks.

In conclusion, HECO Utilities support H.B. 2503 HD1 as a way to stimulate the development of locally produced biofuels.

Thank you for the opportunity to present this testimony.

PACIFIC WEST ENERGY LLC
I KAUMAKANI AVENUE
PO BOX 220
KAUMAKANI, KAUAI, HI 96747

March 17, 2008

The Honorable Senator Jill N. Tokuda, Chair and Members
of the Committee on Agriculture and Hawaiian Affairs
The Honorable Senator Ron Menor, Chair and Members
of the Committee on Energy and Environment

RE: HB 2503, HD1 Relating to Agricultural Lands

Chairpersons Tokuda and Menor and members of your committees, my name is William Maloney and I am President and Chief Executive Officer of Pacific West Energy, LLC. Pacific West Energy, a developer of renewable energy projects, in partnership with Gay and Robinson, Inc., has formed G&R Ag-Energy and is developing an integrated, renewable energy facility on Kauai, featuring the state's first ethanol plant.

G&R Ag-Energy supports HB 2503's intent to balance the interests of agriculture and energy production on agriculturally designated lands. This bill seeks to provide an incentive for owners of agricultural land to examine uses for agricultural lands that will provide needed revenues to enhance the production of agricultural crops for market or further energy production or both.

G&R Ag-Energy believes that this bill will assist in our ability to enhance our sugar operations and ethanol production for further business stabilization. This will also enhance the Island of Kauai's renewable energy production thru the use of local feedstocks, thus lowering the islands dependence on imported oil.

We do understand that the bill, in its present form, may inadvertently exclude other similar but non-qualifying agriculture-based renewable energy concepts from consideration as permissible uses, however, we believe that the key element of this concept is "a renewable energy facility that is integrated with an agricultural activity." We believe that this paramount in maintaining a "balance" between crop and energy production on agricultural lands.

We welcome the opportunity to work with this Committee or others in an effort to fully develop and enhance agriculture in Hawaii.

Thank you for this opportunity to support HB 2503, HD1.

Sincerely,

William M. Maloney
President
Pacific West Energy LLC

HB 2517 HD1

LINDA LINGLE
Governor



SANDRA LEE KUNIMOTO
Chairperson, Board of Agriculture

DUANE K. OKAMOTO
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512

TESTIMONY OF SANDRA LEE KUNIMOTO
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEES ON
AGRICULTURE AND HAWAIIAN AFFAIRS
AND
ENERGY & ENVIRONMENT
THURSDAY, MARCH 20, 2008
2:45 A.M.

HOUSE BILL NO. 2517, H.D.1
RELATING TO INVASIVE SPECIES

Chairpersons Tokuda and Menor and Members of the Committees:

Thank you for the opportunity to testify on House Bill No. 2517 H.D.1. The purpose of this bill is to (1) authorize the Department of Agriculture to regulate or prohibit the sale of specific plants designated as restricted plants, (2) prohibit the sale of noxious weeds, and (3) recognize that designated restricted plants can be pests or can be hosts for pests. The department supports this bill with the additional amendments provided at the end of this testimony.

One of the objectives of the department is to protect Hawaii's unique and fragile environment. Hawaii's climate and the absence of natural biological enemies present enormous opportunities for plants of imported origin to become naturalized and spread at explosive rates to threaten gardens, farms, pastures, watersheds, and natural ecosystems. On September 10, 2007, a meeting was held with members from state and federal agencies, conservation groups and agricultural agencies to discuss the development of restricted and prohibited plant lists as part of a long term action plan to

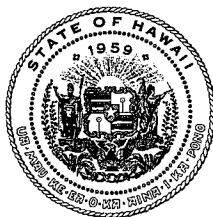
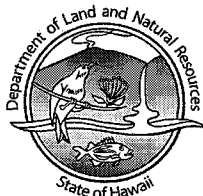
prevent the introduction and spread of new weedy plants through the plant importation process.

One of points agreed upon at the conclusion of this meeting was that this process move forward. There was also consensus that there needed to be statutory changes to address importation and sale of weeds; and a separate process to add weedy plants to a restricted plant list. This measure is part of those recommendations.

The department recommends that the word "state" that is referenced in this bill, referring to the State of Hawaii, should be corrected to "State" with a capitalized "S" at the following places: Page 1, line 2; Page 2, line 2 and 14; and Page 3, line 1, 2, 16 and 18. This will be consistent with other references cited in chapter 150A, HRS, as well as throughout the Hawaii Revised Statutes.

In addition, the department also recommends that the word "prohibits" be changed to "prohibit" correcting an error of agreement at page 2, line 13. Thank you for the opportunity to testify on this measure.

LINDA LINGLE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

LAURA H. THIELEN
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

RUSSELL Y. TSUJI
FIRST DEPUTY

KEN C. KAWAHARA
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
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CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

**TESTIMONY OF THE CHAIRPERSON
OF THE BOARD OF LAND AND NATURAL RESOURCES**

on House Bill 2517, House Draft 1 – RELATING TO INVASIVE SPECIES

**BEFORE THE SENATE COMMITTEES ON
AGRICULTURE AND HAWAIIAN AFFAIRS
AND
ENERGY AND ENVIRONMENT**

March 20, 2008

House Bill 2517, House Draft 1 grants the Department of Agriculture (DOA) authority to develop rules to prevent the sale of State listed noxious weeds and to restrict the importation of plants and plant parts that may harbor pests and diseases. The Department of Land and Natural Resources (Department) supports this measure and defers to DOA as to the specific language required to reduce the continued introduction of invasive plants along with pests and diseases into the State.

Preventing new invasive species from establishing in Hawaii provides the greatest long term protection for Hawaii and the Department supports stronger import quarantine measures. Currently Section 150A-6.1(c), Hawaii Revised Statutes, prohibits the sale of only three species of recognized weeds. There is no prohibition against the sale and planting of noxious weeds. Having the ability to restrict the sale of noxious weeds will improve the efficacy of the State's invasive species programs. There are many species of plants currently being controlled to prevent their spread that are not listed as noxious weeds. The Department supports updating the list of noxious weeds as soon as possible.

It is also possible to evaluate noxious plant species by using a risk assessment. The Hawaii Invasive Species Council has funded a Hawaii Weed Risk Assessment screening process. To date, the risk assessment has been completed for 620 species (http://www.botany.hawaii.edu/faculty/daehler/wra/full_table_d.asp). The Kauai Landscape Industry Council, the Oahu Nursery Growers Association, Lyon Arboretum and others have adopted "Codes of Conduct" to voluntarily stop selling invasive species based on information provided by this screening. The weed risk assessment can be used with other screening reviews to identify species for listing purposes.

The Department supports this measure to update statutes and administrative rule making to reduce the risk that imported plants or plant parts will introduce pests and diseases, make the sale of noxious weeds illegal, and update the official lists of noxious weeds.



Legislative Testimony
HB 2517, HD 1, RELATING TO INVASIVE SPECIES
Senate Committees on Agricultural and Hawaiian Affairs;
and Energy and Environmental Protection

March 20, 2008

2:45 p.m.

Room: 224

The Office of Hawaiian Affairs (OHA) **SUPPORTS** H.B. 2517, H.D. 1, which would allow the Department of Agriculture to regulate the sale of plants on its regulated plant lists and prohibit the sale of noxious weeds in Hawai'i. This bill will also clarify that the plants on these lists, or portions of the plants, can themselves be pests or hosts to pests.

The Legislature found in 2003 that the silent invasion of Hawai'i by insects, disease-bearing organisms, snakes, weeds, and other pests is the single greatest threat to Hawai'i's economy and natural environment and to the health and lifestyle of Hawai'i's people. Invasive species already cause millions of dollars in crop losses, the extinction of native species, the destruction of native forests, and the spread of disease.

According to an August 2007 Honolulu Advertiser article, a federal study estimates that recreational fishing, hunting and wildlife-watching in Hawai'i generated \$402.3 million in spending in 2006. All of these valuable natural resources are threatened by Hawai'i's silent invasion.

This bill would elaborate upon the legislative findings of 2003 by taking a step further toward the protection of these important assets. It also creates a valuable legal definition from which more protection can be generated.

Therefore, OHA urges the Committee to PASS H.B. 2517, H.D. 1. Thank you for the opportunity to testify.

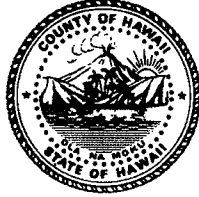
BOB JACOBSON

Councilmember

Chair, Environmental Management Committee

Vice-Chair, Finance Committee

Vice-President Hawai'i State Association of Counties



333 Kīlauea Avenue, Second Floor
Ben Franklin Building, Hilo, Hawai'i 96720

Mailing Address: 25 Aupuni Street, Suite 200

Phone: (808) 961-8263

Fax: (808) 961-8912

E-Mail: bjacobson@co.hawaii.hi.us

HAWAI'I COUNTY COUNCIL

County of Hawai'i

March 19, 2008

Senator Jill N. Tokuda, Chair

Senator J. Kalani Englis, Vice Chair

And Members of the

Committee on Agriculture and Hawaiian Affairs

Senator Ron Menor, Chair

Senator Gary L. Hooser, Vice Chair

And Members of the

Committee on Energy and Environment

Hearing Thursday, March 20, 2008 at 2:45 pm

Conference Room 224

Re: HB 2517, HD1 RELATING TO INVASIVE SPECIES

I support HB 2517, HD1 which allows the Department of Agriculture to regulate or prohibit the sale of specific plants on the restricted list. Prohibits the sale of noxious weeds, provide that noxious weeds may be imported only for research and by permit. Invasive species have negatively affected our State both economically and environmentally and by preventing new invasive species from entering the State gives us the greatest protection.

I urge you to pass HB 2517, HD 1.

Aloha,

Bob Jacobson

**Testimony of The Nature Conservancy of Hawai'i
Supporting H.B. 2517 HD 1 Relating to Invasive Species
Senate Committee on Agriculture & Hawaiian Affairs
Senate Committee on Energy & Environment
Thursday, March 20, 2008, 2:45PM, Room 224**

The Nature Conservancy of Hawai'i is a private non-profit conservation organization dedicated to the preservation of Hawai'i's native plants, animals, and ecosystems. The Conservancy has helped to protect nearly 200,000 acres of natural lands for rare and endangered native species in Hawai'i. Today, we actively manage more than 32,000 acres in 11 nature preserves on O'ahu, Maui, Hawai'i, Moloka'i, Lāna'i, and Kaua'i and also work closely with government agencies and private landowners on cooperative land and marine management projects.

The Nature Conservancy of Hawai'i supports H.B. 2517 HD 1 Relating to Invasive Species.

Invasive weeds, insects, diseases, snakes, and other pests are one of the greatest threats to Hawai'i's economy, agriculture industry, natural environment, and the health and lifestyle of its people.

While it is presently illegal to import plants that are listed on the State Department of Agriculture's noxious weed list, it is not illegal to cultivate and sell such pests if a person already has them in their possession. Also, the State maintains a restricted list of plants that require a permit for importation into the state. This restricted list includes noxious weeds by reference. However, it's not clear in the current statute that weedy plants can be placed on the restricted plant list, and the Department of Agriculture does not have authority to limit the sale of restricted plants.

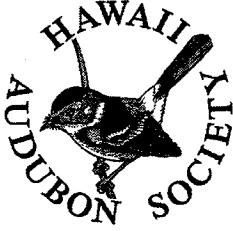
The statutory authority for the restricted plant list needs to be amended to:

1. Specifically prohibit the sale of noxious weeds;
2. Provide discretionary authority to the Department of Agriculture to limit the sale of other restricted plants; and
3. Clarify that restricted plants can either be a host to an unwanted pest or disease, or the plant itself can be a pest because of its weedy properties.

This measure will close loopholes in our laws and enhance our comprehensive effort to protect Hawai'i's people, economy and environment from the devastating effects of invasive species.

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For the Protection of Hawaii's Native Wildlife

HAWAII AUDUBON SOCIETY

850 Richards Street, Suite 505, Honolulu, HI 96813-4709

Phone/Fax: (808) 528-1432; hiaudsoc@pixi.com

www.hawaiiudubon.com

EMAIL: testimony@cpaitol.hawaii.gov

TO: Committee on Agriculture and Hawaiian Affairs, Senator Jill Tokuda, Chair
Committee on Energy and Environment, Senator Ron Menor, Chair

HEARING: March 20, 2008; 2:45 P.M., Conference Rm. 224

Re: HB2517 HD1, Relating to Invasive Species

Testimony in Support with Amendment

Chair, Tokuda, Chair Menor and members of the Committee on Agriculture and Hawaiian Affairs, and the Committee on Energy and Environment, my name is George Massengale, and I am the Legislative Analyst for the Hawaii Audubon Society. Thank you for the opportunity to submit our testimony in support of HB2517, HD1, which would prohibit the sale of plants designated as restrictive plants or noxious weeds.

The Hawaii Audubon Society was founded in 1939, and is Hawaii oldest conservation organization. The primary missions of the society is to foster community values that result in the protection and restoration of native ecosystems and conservation of natural resources through education, science and advocacy in Hawai'i and the Pacific. The society strongly supports measures that protect our ecosystems from invasive species. Once established, invasive plants crowd out endemic (native) plants. The sad fact is that Hawai'i has the highest number of listed threatened and endangered species in the nation. There are 394 threatened and endangered species in the State of Hawai'i, of which 294 are plants. Invasive plants have led to the extinction of 55 species of plants in the State with another 42 possibly extinct. This extinction, along with the introduction of non-endemic animals has lead to the extinction 24 bird species and is endangering another 32.

Hawaii Audubon Society believes that HB2517, HD1 is a good measure. We previously testified on this bill in the House, and on the Senate companion version, SB2523. We would strongly urge this committee to incorporate language found in the Senate version which mandates a permit for plant sales and a fine for violations. **[SECTION 3. Section 152-3, of SB2523]**

We strongly believe amending HB2517, HD1, would add “teeth” to the measure, thus having greater deterrence on the sale a spread of restricted plants.

Thank you for the opportunity testify here today.

Sincerely,

George Massengale, JD
Legislative Analyst



Conservation Council for Hawai'i

Testimony Submitted to the Senate Committee on Agriculture and Hawaiian Affairs
and Committee on Energy and Environmental Protection

Hearing: Thursday, March 20, 2008
2:45 pm
Room 224

Support for HB 2517 HD 1 Relating to Invasive Species

Aloha. The Conservation Council for Hawai'i supports HB 2517 HD 1. We recommend that the Hawai'i Department of Agriculture also be required to update the list of restricted plants and the list of noxious weeds at regular and reasonable intervals. We understand that these lists have not been updated in over 10 years. The Department should be required to review and update the list of restricted plants and the list of noxious weeds regularly, say every 5 years.

Also, we are not sure why it might be necessary to sell a restricted plant. Therefore, the bill should either prohibit the sale of restricted plants or require the Department to prohibit the sale of restricted plants by rule.

Mahalo nui loa for the opportunity to testify.

Sincerely,

Marjorie Ziegler
Marjorie Ziegler



Working Today for the Nature of Tomorrow!

Telephone/Fax 808.593.0255 • email: info@conservehi.org • web: www.conservehi.org
P.O. Box 2923 • Honolulu, HI 96802 • Office: 250 Ward Ave., Suite 212 • Honolulu, HI 96814

Hawai'i Affiliate of the National Wildlife Federation

President: *Julie Lelaoha* • Vice-President: *Nelson Ho* • Secretary/Treasurer: *Kim Ramos* • Directors: *Fred Kraus, Ph.D.* • *Douglas Lamerson*,
George Robertson • *Claire Shimabukuro* • *Helene Takemoto* • *Mashuri Walte* • Executive Director: *Marjorie Ziegler*



The Senate
Committee on Agriculture and Hawaiian Affairs
Committee on Energy and Environment
2:45 p.m., March 20, 2008
Conference Room 224, State Capitol

Testimony in Support of HB 2517, HD1

Aloha Chairs Tokuda and Menor, Vice Chairs, and Members of the Committees,
The Coordinating Group on Alien Pest Species (CGAPS) **supports HB 2517, HD1** *Relating to Invasive Species*.

In Hawai'i, the spread of invasive plant species is easy to see. From ivy gourd smothering other plants along our roads and highways, to fireweed blooming yellow and poisoning pastures on the Big Island, to fountain grass in West Hawai'i and Diamond Head, these invasive plants are disturbingly obvious once you learn to identify them. They are everywhere, and despite the money and efforts expended to control these listed State Noxious Weeds, it is still legal to sell these invasive plants. HB 2517, HD1 would correct this by making it illegal to sell plants listed as State Noxious Weeds.

HB 2517, HD1 also works to address the Plant Import Rules. The current wording is limited to listing plants that have a potential to carry an invasive insect or disease, and there are no rules to protect Hawai'i from new plants that are invasive, or that have the high probability of becoming invasive if allowed to be imported and planted in Hawai'i.

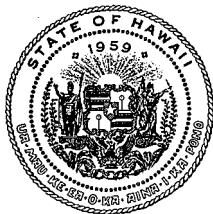
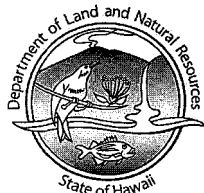
One great example of the need for these changes can be seen in the floating water fern *Salvinia*. Although known worldwide as an extremely aggressive plant, there was no way to either restrict it from being imported into the State, nor was it possible for the State to restrict the sale of this plant even as it covered Lake Wilson.

CGAPS has participated in meetings with plant industry leaders, HDOA and conservation groups to work on ways to safely import new plant species for nurseries, farmers, industry and enthusiasts, while adding precautionary measures that have a good chance at preventing the importation of the next ivy gourd, fountain grass, or miconia. Although perhaps 10,000 species of plants have been introduced to Hawai'i already, there are more than 250,000 plant species in the world and experts believe that 10% of these would be invasive if planted in Hawai'i. This wording change is necessary if we are ever going to be able to prevent new plant species that are known to be invasive elsewhere but are not yet present in Hawai'i. For these reasons, CGAPS asks for your support of HB 2517, HD1. Mahalo.

CGAPS--Coordinating Group on Alien Pest Species
Ph: (808) 722-0995

HB 3179

LINDA LINGLE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

LAURA H. THIELEN
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

RUSSELL Y. TSUJI
FIRST DEPUTY

KEN C. KAWAHARA
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
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BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

**TESTIMONY OF THE CHAIRPERSON
OF THE BOARD OF LAND AND NATURAL RESOURCES**

**on House Bill 3179 – RELATING TO THE DEFINITION OF RENEWABLE
ENERGY PRODUCER**

**BEFORE THE SENATE COMMITTEES ON
ENERGY AND ENVIRONMENT**

**and
AGRICULTURE AND HAWAIIAN AFFAIRS**

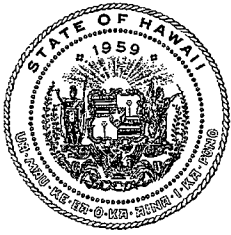
March 20, 2008

House Bill 3179 proposes to amend the definition of "renewable energy producer" to include growers and producers of organic materials used primarily for the production of biofuels or other fuels, so that they will be eligible for direct leases of public land. This bill would clarify and expand the definition of "renewable energy producer" to include growers and producers of organic materials used primarily for the production of biofuels or other fuels. This bill also clarifies that the waste product or by-product from the organic material grown may be used for other useful purposes (e.g., mulch, feed, or feedstock, etc.). The Department of Land and Natural Resources strongly supports this Administration measure.

Act 102, Session Laws of Hawaii 2002, authorized the Board of Land and Natural Resources to lease public lands to renewable energy producers through direct negotiation. The intent of this Act was to encourage the development of renewable energy projects and to reduce the State's dependency on fossil fuels. The inclusion of biofuels in the definition of renewable energy recognized the value of this important renewable energy technology.

The current law, however, does not take into consideration that, unlike other renewable energy technologies, biofuel production does not require its fuel production facilities to be located at the same location as the energy source. In fact, due to generally different requirements for industrial and agricultural zoned districts, it is often advantageous to separate biofuel production facilities from the sources of its feedstock. The growing and production of the organic materials that constitute the feedstock for biofuel production is nevertheless an inseparable part of that production process.

The State's current energy policy supports the development of renewable energy by decreasing reliance on fossil fuels and providing reliable alternate sources of fuel and energy. As an integral part of the production of biofuels, growers and producers of organic materials used primarily for the production of biofuels or other fuels should be afforded the benefit of direct negotiation for leasing public lands pursuant to the State's current energy policy.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

LINDA LINGLE
GOVERNOR
THEODORE E. LIU
DIRECTOR
MARK K. ANDERSON
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: www.hawaii.gov/dbedt

Telephone: (808) 586-2355
Fax: (808) 586-2377

Statement of
THEODORE E. LIU
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEES
ON
AGRICULTURE AND HAWAIIAN AFFAIRS
AND
ENERGY AND ENVIRONMENT
Thursday, March 20, 2008
2:45 p.m.
State Capitol, Conference Room 224

in consideration of
HB3179
RELATING TO THE DEFINITION OF RENEWABLE ENERGY PRODUCER.

Chairs Tokuda and Menor, Vice Chairs English and Hooser, and Members of the Committees.

The Department of Business, Economic Development, and Tourism (DBEDT) strongly supports HB3179, an Administration measure, which amends the definition of "renewable energy producer" to allow growers and producers of bioenergy resources to be eligible for direct leases of public land.

We commend the Department of Land and Natural Resources for their understanding and support of Hawaii's energy future, and thank the Committees for hearing this bill.

As described in the legislation, the current definition unintentionally discourages the local production of materials that could be used for the production of energy or biofuels at a different location. The proposed amendment would remove that barrier.

This is a necessary and effective means of encouraging the local production of renewable energy, and we encourage the Legislature to pass this measure.

Thank you for the opportunity to offer these comments.

**Testimony before the
Senate Committees on
Energy and Environment
and
Agriculture and Hawaiian Affairs**

**H.B. 3179 – Relating to the Definition
of Renewable Energy Producer**

**Thursday, March 20, 2008
2:45 pm, Conference Room 224**

**By Arthur Seki
Director of Technology
Hawaiian Electric Company, Inc.**

Chairs Menor and Tokuda, Vice Chairs Hooser and English, and Members of the Committees:

My name is Arthur Seki – I am the Director of Technology in the Energy Solutions & Technology Department at Hawaiian Electric Company. I am testifying on behalf of Hawaiian Electric Company (HECO) and its subsidiary utilities, Maui Electric Company (MECO) and Hawaii Electric Light Company (HELCO), hereby referred to collectively as the HECO.

We support H.B. 3179 and also recommend a technical change in the language on page 3, lines 8 and 10, by replacing organic with biomass.

As you may know, HECO Utilities are committed to exploring and using biofuels in its existing and planned generating units. The use of biofuels can reduce the State's dependence on imported oil and increase the amount of renewable energy from sustainable resources. This commitment by the HECO Utilities is demonstrated by the following initiatives:

- HECO's next power plant (100 MW) on Oahu (located at Campbell Industrial Park) will be 100% biofueled;
- MECO tested biodiesel in its diesel engines and combustion turbine at Maalaea power plant and will conduct further tests;
- HECO and MECO are partnering with BlueEarth Biofuels to build a 40 million gallon per year biodiesel production plant on Maui;
- HECO is providing seed funding to the Hawaii Agriculture Research Center (HARC) and the agriculture departments at the University of Hawaii's Manoa and Hilo campuses to conduct biofuel crop research; and
- HECO is examining micro-algae biofuel development that could use carbon dioxide from our power plant stacks.

In conclusion, HECO Utilities support H.B. 3179 as a way to stimulate the development of locally produced biofuels.

Thank you for the opportunity to present this testimony.