



**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 COMMITTEE ON WAYS AND MEANS

Friday, March 28, 2008

9:30 AM

State Capitol, Conference Room 211

in consideration of

HB 2003, SD1
RELATING TO THE HAWAII ENERGY POLICY FORUM.

Chair Baker, Vice Chair Tsutsui, and Members of the Committee.

HB 2003, SD1 would make an appropriation for the continuation of the Hawaii Energy Policy Forum and for the Hawaii Energy Policy Forum to continue its study with the Energy-efficient Transportation Strategies Working Group to develop energy-efficient transportation strategies.

The Department of Business, Economic Development, and Tourism (DBEDT) notes that while the Forum supports the State's economic development goals, an appropriation for this measure was not included in the Executive's Supplemental Budget, therefore, we request that any such appropriation should not displace the priorities contained in that budget.

This bill would appropriate funds so that the Hawaii Energy Policy Forum can continue its valuable work to implement the vision, concepts, and recommendations of the updated Ten Point Plan to meet Hawaii's energy goals. The Forum has made considerable progress to date; it will be

helpful for them to be able to continue to implement the detailed action plans, continue discussion, and continue to promote greater community awareness of energy issues.

This bill would also appropriate funds so that the Hawaii Energy Policy Forum can continue its important collaborative work with the Energy-Efficiency Transportation Strategies Working Group created in response to Act 254, to develop energy-efficient transportation strategies.

Last year, the Energy Policy Forum, with your support, brought together transportation and energy planners to look at the energy needs of Hawaii's transportation system, particularly ground transportation. This is an area which is important to our economy, residents, businesses, and visitors. With potentially significant changes occurring in the energy area, there is a need for energy planners and transportation planners to work together. DBEDT has led, participated in, and commissioned several transportation energy strategy and fuel studies over the years, and looks forward to continuing to work with the University of Hawaii and the Energy Policy Forum in this important area.

Thank you for the opportunity to offer these comments.



LINDA LINGLE
GOVERNOR

JAMES R. AIONA, JR.
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
335 MERCHANT STREET, ROOM 310
P.O. Box 541
HONOLULU, HAWAII 96809
Phone Number: (808) 586-2850
Fax Number: (808) 586-2856
www.hawaii.gov/dcca

LAWRENCE M. REIFURTH
DIRECTOR

RONALD BOYER
DEPUTY DIRECTOR

TO THE SENATE COMMITTEE ON WAYS AND MEANS
THE TWENTY-FOURTH LEGISLATURE
REGULAR SESSION OF 2008

Friday, March 28, 2008
9:30 a.m.

TESTIMONY OF CATHERINE P. AWAKUNI, EXECUTIVE DIRECTOR,
DIVISION OF CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND
CONSUMER AFFAIRS TO THE HONORABLE SENATOR BAKER, CHAIR AND
MEMBERS OF THE COMMITTEE

**HOUSE BILL 2003, SENATE DRAFT 1 – RELATING TO THE HAWAII
ENERGY POLICY FORUM.**

DESCRIPTION:

This measure makes an appropriation for the continuation of the Hawaii Energy Policy Forum ("Forum").

POSITION:

The Division of Consumer Advocacy ("Consumer Advocate") supports the continuation of the Forum and the intent of this measure as long as it does not replace or adversely impact priorities as indicated in the Executive Supplemental Budget Request. We defer to the Forum as to the amount of the appropriation needed to continue the Forum's important collaborative work with energy stakeholders.

COMMENTS:

We have participated in the Forum since its inception in 2002, and have watched the Forum blossom into a haven for the exchange of ideas, visions, and

H.B. 2003, S.D. 1
Senate Committee on Ways and Means
Friday, March 28, 2008, 9:30 a.m.

observations. The Ten Point Plan outlined by the Forum identifies specific areas that need study or attention to ensure that Hawaii has a sustainable, renewable, and affordable energy future. The Forum's continued efforts are necessary to assist us on this path.

Thank you for this opportunity to testify.



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

Hawai'i Energy Policy Forum

Mr. Robbie Alm, HECO
Ms. Amy Asselbayer, 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, EDAA
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. Kal 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 Pereira, 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
Sharon Miyashiro
Co-Chair - Hawai'i Energy Policy Forum

Senate Committee on Ways and Means
Friday, March 28, 2008
9:30 a.m.
Conference Room 211

IN SUPPORT OF HB 2003 SD 1, Relating to the Hawaii Energy Policy Forum

I am Sharon Miyashiro, Co-Chair 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.

Part I of HB 2003, SD 1, which appropriates funds to the Forum to continue its work to meet our preferred energy vision and goals, will support our continuing efforts toward achieving our preferred energy future. The Forum in 2007 revised its comprehensive "10 Point Action Plan" which serves as a framework for meeting our preferred energy vision and goals. The Forum, through its seven working groups has developed more specific action plans covering all ten goals of the Plan. The revised Plan has been instrumental in guiding the Forum's accomplishments to date. Through the specific action plans, it will continue to guide us in the work that remains to be completed to achieve a strong and secure energy future for Hawaii. During 2007, accomplishments of the Forum included the following:

- Study of Biofuel crop development in response to HCR 195 (2006) led to Hawaii Bioenergy Master Plan (2007)
- Study of opportunities and barriers for renewable energy and energy efficiency development in the state and county laws and regulations
- Study of energy efficient transportation strategies in response to Act 254
- Study of natural gas import options for Hawaii in response to USDOE under contract to address Section 355 of the National Energy Policy Act
- Assessment of energy efficiency in four buildings through its "Energy by Example" program

The Forum also sponsored numerous outreach and educational events:

- Briefing of the Congressional Delegation staff on renewable energy developments (March 2007)
- Briefing on federal opportunities in "ag-energy" by U.S. House Agriculture Committee Chairman Colin Peterson (April 2007)
- Briefing on commercialization of new renewable energy technologies by U.S. Departments of Commerce & Energy and local representatives of High Technology Development Corporation, Sopogy & ClearFuels Technology

- Briefing on work by BlueEarth Biofuels (June 2007)
- Facilitated working group that created guidelines for ocean energy development (July 2007)
- Briefing on the work of the Hawaii Natural Energy Institute, University of Hawaii (September 2007)
- Briefing on greenhouse gas emissions by the Technical Working Group of the State Greenhouse Gas Emissions Task Force & the Voluntary GHG Reporting Program of the Climate Registry (November 2007)
- Co-sponsored TV Documentary: "Hawaii's Climate Crisis" (January 2008)
- Asked by the USDOE to convene a briefing of the USDOE-State partnership on the Hawaii Clean Energy Initiative on January 28

The Forum has adopted actions and benchmarks to address the goals of the Plan; and during the coming year, it hopes to implement and test these actions. **The Forum has estimated that funding in the amount of \$185,000 for FY 2008-2009 will enable the Forum to begin implementation of its action plans and development and testing of benchmarks.** This amount will fund not only the action plans, but also the needed administrative support and outreach activities as well as enable us to assess overall progress in meeting the goals of the Plan.

Part II of HB 2003, SD 1 appropriates funds to the Forum to continue its work to develop energy efficient transportation strategies. The 2007 Legislature passed HB 869 entitled "Making an Appropriation for Energy Efficient Transportation Strategies". We thank this Committee for its strong support and assistance in getting this bill passed. HB 869 was enacted as Act 254. The Forum was tasked with conducting a study on energy efficient transportation strategies for the State of Hawaii.

The Forum convened a steering committee to plan the scope of the work and identify the major stakeholders that should be participants in this challenging yet significant undertaking. Invited representatives from business, labor, academia, and government included state, county and Metropolitan Planning Organization transportation planners, state energy and Native Hawaiian agency officials, utility and petroleum company executives, and automobile dealer and manufacturer industry advocates. These members comprise the Energy Efficiency in Transportation Strategies Working Group ("Working Group").

With a short time frame and ambitious scope of work outlined in Act 254, the Working Group has met monthly since its inception. One of the major findings of the Working Group is that there is a lack of data upon which to establish goals and to track progress in meeting those goals. The Working Group determined that additional data are required before transportation energy efficiency benchmarks and goals for the State can be set.

Due in large measure to the enthusiasm and commitment of its diverse members, the Working Group is unified in its dedication to develop a comprehensive energy-efficient transportation strategy for the state. **The Working Group has estimated that an appropriation in the amount of \$175,000 would be used as follows:** (1) determine data available among government and business sources; (2) identify gaps in critical data; and (3) develop and test models leading to the establishment of a reasonable and workable plan for a statewide transportation energy information and monitoring system. This appropriation will also enable the Forum to pursue opportunities for additional sources of funding, including federal matching funds.

Based on the foregoing the Forum fully supports H.B. 2003, SD 1 and asks for this Committee's favorable action.

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

GOODSILL ANDERSON QUINN & STIFEL

A LIMITED LIABILITY LAW PARTNERSHIP LLP

GOVERNMENT RELATIONS TEAM:

GARY M. SLOVIN, ESQ.
CHRISTOPHER G. PABLO, ESQ.
ANNE T. HORIUCHI, ESQ.
MIHOKO E. ITO, ESQ.
JOANNA J. H. MARKLE*
LISA K. KAKAZU**
* Government Relations Specialist
** Legal Assistant

ALII PLACE, SUITE 1800 • 1099 ALAKEA STREET
HONOLULU, HAWAII 96813

MAIL ADDRESS: P.O. BOX 3196
HONOLULU, HAWAII 96801

TELEPHONE (808) 547-5600 • FAX (808) 547-5880
info@goodsill.com • www.goodsill.com

INTERNET:

gslovin@goodsill.com
cpablo@goodsill.com
ahoriuchi@goodsill.com
meito@goodsill.com
jmarkle@goodsill.com
lkakazu@goodsill.com

March 26, 2008

TO: Senator Rosalyn Baker
Chair, Committee on Ways and Means
Hawaii State Capitol, Room 211

FROM: Gary M. Slovin, Esq.
H.B. 2003, SD1 – Relating to The Hawaii Energy Policy Forum
Hearing Date: Friday, March 28, 2008 at 9:30 am in Room 211

Dear Chair Baker and Members of the Committee on Ways & Means:

I am Gary Slovin testifying on behalf of the Alliance of Automobile Manufacturers in support of H.B. 2004, HD2. The Alliance is a member of the Hawaii Energy Efficient Transportation Task Force mentioned in part II of the bill.

Thank you very much for this opportunity to submit testimony.

Testimony before the Senate
Committee on Ways and Means

H.B. 2003, SD1 - Making an Appropriation for a Study
on Energy Efficient Transportation Strategies

Friday, March 28, 2008
9:30 a.m., Conference Room 211

By William A. Bonnet
Vice President
Government & Community Affairs
Hawaiian Electric Company, Inc.

Chair Baker, Vice Chair Tsuji and members of the Committee:

My name is Bill Bonnet and I am testifying **in strong support** of this bill on behalf of Hawaiian Electric Company, Inc., and its subsidiary utilities, Maui Electric Company, Ltd., and Hawaii Electric Light Company, Inc.

H. B. 2003, SD1 proposes to make an appropriation for 2008-2009 to continue the work of the Hawaii Energy Policy Forum and in addition to continue work of the Forum's Energy-Efficient Transportation Strategies Working Group created by Act 254, Session Laws of Hawaii 2007, to develop energy-efficient transportation strategies.

The Forum plays a unique role in energy policy. It brings to the table a variety of energy stakeholders including representatives of businesses, non-profits, government, environmental organizations and academia to discuss and develop policy regarding Hawaii's preferred energy future. From these discussions come consensus positions that have been submitted to the Legislature in recent sessions and which, in many cases, the Legislature has seen fit to enact into law. Hawaiian Electric was a founder and remains an active member and supporter of the Forum.

The proposed funding would enable the Forum to build on its past work by developing a detailed long-term energy policy, with short-term strategies and benchmarks for measuring the progress of these strategies, among other activities. Supporting continuation of the Forum would be a very worthwhile investment.

Also, as you know, Hawaii imports fossil fuels to meet over 90 percent of its energy needs, including about one third for air transportation, one third for

ground transportation and one third for electric power generation. The electricity sector is working to meet a renewable portfolio standard established by the Legislature, with the goal of reducing Hawaii's dependence on imported fossil fuel, primarily oil, and limiting Hawaii's contribution to global climate change. If Hawaii is to succeed in reducing dependence on imported fossil fuel for electricity, we must also reduce our dependence on oil for ground transportation. No single strategy, but a combination of methods, will achieve this goal.

Last year, the Legislature made an appropriation for the Hawaii Energy Policy Forum to begin a study on energy efficient transportation strategies. The Forum formed a working group, developed a vision and began the process you made possible. This measure proposes to continue that valuable work.

Thank you for the opportunity to testify.



UNIVERSITY OF HAWAII SYSTEM
Legislative Testimony

**Written Testimony Presented Before the
Senate Committee on Ways and Means**
March 28, 2008 at 9:30 a.m.

by

Virginia S. Hinshaw, Chancellor
and
Richard A. Dubanoski, Dean
College of Social Sciences
University of Hawai'i at Mānoa

HB 2003 SD1 – RELATING TO THE HAWAII ENERGY POLICY FORUM

Chair Baker, Vice Chair Tsutsui, and Members of the Committee:

Thank you for the opportunity to testify today. Unfortunately, the University of Hawai'i at Mānoa can only support the intent of the bill at this time because of our pressing priorities, such as our tremendous need for repairs and maintenance and health and safety issues, which are critical to our ability to perform our core mission for the State of Hawai'i. We recognize you have many priorities and issues to weigh for the state. We are proud of the work of the Hawai'i Energy Policy Forum of the University of Hawai'i at Mānoa, and thank you for your support.

Thank you for the opportunity to testify, we appreciate all interest in the University, and want to emphasize that we will be able to perform better in all arenas and best serve the state with support of the current campus priorities approved by the Board of Regents.



Hawaii Solar Energy Association

Serving Hawaii Since 1977

TESTIMONY OF THE HAWAII SOLAR ENERGY ASSOCIATION
IN REGARD TO H.B. 2003, SD 1
RELATING TO THE HAWAII ENERGY POLICY FORUM
BEFORE THE
SENATE COMMITTEE ON WAYS AND MEANS
ON
FRIDAY, MARCH 28, 2008

Chair Baker, Vice-Chair Tsutsui and members of the committee, my name is Rick Reed and I represent the Hawaii Solar Energy Assn (HSEA) The HSEA is a professional trade association established in 1977, and affiliated with the Solar Energy Industries Association (SEIA) in Washington, D.C. HSEA represents manufacturers, distributors, contractors, financiers, and utility companies active in the solar energy industry in Hawaii. **The HSEA strongly supports H.B. 2003, S.D. 1.**

I have represented the HSEA on the Forum since its inception. I believe that much of our collective progress in moving forward a consensus-based energy agenda in Hawaii can be attributed to the Forum's vision, leadership, decision making model and outreach.

The U.H. Energy Policy Forum is an inclusive group that brings together a broad cross section of energy stakeholders to develop and implement a preferred energy future. The Forum's essential work in fully establishing its Ten Point Plan for Hawaii is on-going and deserves your continued financial support.

Thank you for the opportunity to testify.