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ECONOMIC DEVELOPMENT & TOURISM**

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Statement of  
**THEODORE E. LIU**  
**Director**

Department of Business, Economic Development, and Tourism  
before the

**HOUSE COMMITTEE  
ON  
FINANCE**

Monday, February 25, 2008  
4:00 p.m.

State Capitol, Conference Room 308

in consideration of  
**HB2004,HD1**

**MAKING AN APPROPRIATION FOR A STUDY ON ENERGY EFFICIENT  
TRANSPORTATION STRATEGIES.**

Chair Oshiro, Vice Chair Lee, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) supports the intent of HB2004,HD1. There have been many good ideas introduced this legislative session that support the State's energy goals. We note, however, that this appropriation was not included in the Executive Supplemental Budget, and request that this appropriation not displace the priorities contained in that budget.

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 this area, there is a need for energy planners and transportation planners to work together.

The proposed project could provide information useful in planning for the achievement of Hawaii's energy objectives, as outlined in HRS 226-18:

- “ (1) Dependable, efficient, and economical statewide energy systems capable of supporting the needs of the people;
- (2) Increased energy self-sufficiency where the ratio of indigenous to imported energy use is increased;
- (3) Greater energy security in the face of threats to Hawaii's energy supplies and systems; and
- (4) Reduction, avoidance, or sequestration of greenhouse gas emissions from energy supply and use.”

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.



# **UNIVERSITY OF HAWAII SYSTEM**

## **Legislative Testimony**

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**Written Testimony Presented Before the  
House Committee on Finance**  
February 25, 2008 at 4:00 p.m.

by

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

### **HB 2004 HD1 – MAKING AN APPROPRIATION FOR A STUDY ON ENERGY EFFICIENT TRANSPORTATION STRATEGIES**

Chair Oshiro, Vice Chair Lee, 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.

Written Statement  
of  
**YUKA NAGASHIMA**  
**Executive Director & CEO**  
High Technology Development Corporation  
before the  
**HOUSE COMMITTEE ON FINANCE**  
Monday February 25, 2008  
4:00 PM  
State Capitol, Conference Room 309

In consideration of  
**HB 2004 HD1 MAKING AN APPROPRIATION FOR A STUDY ON ENERGY  
EFFICIENT TRANSPORTATION STRATEGIES.**

Chair Oshiro, Vice Chair Lee, and Members of the House Committee on Finance.

The High Technology Development Corporation supports the intent of HB 2004 HD1.

There have been many good ideas introduced this legislative session that support the State's energy goals. We note, however, that this appropriation was not included in the Executive's Supplemental Budget, and request that this appropriation not displace the priorities contained in that budget.

HTDC provided representation on the energy-efficiency transportation strategies working group and we acknowledge the need to continue these efforts to complete the study.

Thank you for the opportunity to submit testimony in support of HB 2004 HD1.

Testimony before the House Committee on  
Finance

H.B. 2004, HD1 Making an Appropriation for a Study  
on Energy Efficient Transportation Strategies

Monday, February 25, 2008  
4:00 p.m., Conference Room 308  
Agenda #6

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

Chair Oshiro, Vice Chair Lee, and members of the Committee:

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

Hawaiian Electric Company supports House Bill No. 2004, HD 1, as amended as suggested by the Hawaii Energy Policy Forum, which would make an appropriation to collect and analyze data and to develop a plan for statewide transportation energy information and monitoring system.

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 work.

Thank you for the opportunity to testify.

GOODSILL ANDERSON QUINN & STIFEL

A LIMITED LIABILITY LAW PARTNERSHIP LLP

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February 22, 2008

TO: Representative Marcus R. Oshiro  
Chair, House Committee on Finance  
Hawaii State Capitol, Room 306

FROM: Gary M. Slovin, Esq.  
H.B. 2004, HD1 – Making an Appropriation for A Study on Energy  
Efficient Transportation Strategies  
**Hearing Date: Monday, February 25, 2008 at 4:00 p.m.**

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Dear Chair Oshiro and Members of the Committee on Finance:

I am Gary Slovin testifying on behalf of the Alliance of Automobile Manufacturers in support of H.B. 2004, HD1. The Alliance is a member of the Hawaii Energy Efficient Transportation Task Force.

Thank you very much for this opportunity to submit testimony.



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

**Hawai'i Energy Policy Forum**

Mr. Robbie Alm, HECO  
Ms. Amy Asselbayer, Ofc of US Rep.  
Neil Abercrombie  
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 Hiroo  
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  
Mr. 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  
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  
**Darren Kimura**  
Co-Chair – Energy Efficiency Working Group  
Hawai'i Energy Policy Forum

House Committee on Finance  
Monday, February 25, 2008  
4:00 pm; Agenda #6  
Conference Room 308

**IN SUPPORT OF H.B. 2004, H.D. 1 - Relating to Making an Appropriation for a Study on Energy Efficient Transportation Strategies**

I am Darren Kimura, Co-Chair of the Energy Efficiency Working Group of the Hawaii Energy Policy Forum ("Forum"). The Forum is comprised of 45 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 2004, HD 1 that achieves the goal of Point Seven to improve energy efficiencies and options in transportation.

HB 2004, HD 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. Requirements of the study included the following:

- (1) Developing tangible goals, objectives, desired outcomes, and actions to implement an energy-efficient transportation strategy;
- (2) Developing implementation benchmarks for measuring outcomes of energy-efficient transportation strategies; and
- (3) A cost-benefit analysis of each energy-efficient transportation strategy.

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").

After much discussion, the Working Group decided to initially focus on energy efficiency in ground transportation and developed the following consensual vision of "an energy efficient transportation system":

"Hawaii's energy efficient transportation integrates effective community input and planning (demand), and offers people of all ages and walks of life flexible options (supply) including mass transit, private and public vehicles and self-powered conveyance in alternative combinations that provide mobility at acceptable cost".

With a short time frame and ambitious scope of work outlined in Act 254, the Working Group met monthly since its inception. During this period the Working Group established three goals on which the study would focus its efforts:

1. Increase choices for modes of travel. Multiple modes of travel permit greater public choice for efficient and flexible trip planning;
2. Increase fuel efficiency of vehicle population. Incentives to improve the fuel efficiency of Hawaii's vehicle population will influence consumer behavior in favor of buying and using more efficient vehicles; and
3. Diversify energy sources available to meet transportation energy needs. Greater diversity of energy sources provides additional flexibility in meeting the energy needs of the transportation sector.

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.

While we strongly support the passage of HB 2004, HD 1, the Working Group recommends a few amendments, which we believe will strengthen the bill as follows:

- Goals language: We ask that the above language for the three goals replace the language in the current draft of the bill on page 2, line 16 through page 3, line 4. The Working Group unanimously agreed to the goals language above.
- Reporting period: We also ask that the bill be amended on page 5, line 16 to extend the reporting period from 2009 to 2010 to enable the Working Group to produce a fully developed report. We would be pleased to submit an interim progress report to the 2009 Legislature.

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.

**Based on the foregoing the Forum as a whole fully supports H.B. 2004, H.D. 1 with the suggested amendments, and urges its passage by the Committee. Thank you for the 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 organizations.