

Testimony by Castle & Cooke Hawaii
Before the Committee on Energy & Environmental Protection

February 5, 2008
8:45 a.m.
Room 312

HB 2505 Relating to Energy

Chair Morita, Vice Chair Carroll 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 support for HB 2505 establishing a renewable energy facilitator position** in the Department of Business, Economic Development & Tourism.

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 2505 is essential to our efforts and to the success of the State's renewable energy mandate. **We do, however, believe that this measure needs to go even further toward providing authority, including the authority to set agency response deadlines, to such a facilitator.** Without binding or express authority, the proposed facilitator may not be able to achieve the intended purpose of this measure. We strongly support strengthening this measure in its current form, including, for example, the authority described in HB 2863.

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 to be planted as part of solar program
 - 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 investing more than \$765 million 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 make the 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 2505 because the legislation establishes a renewable energy facilitator position that will foster the type of large scale renewable energy projects this state needs to meet both the State's 20 percent by 2020 mandate, as well as the new Clean Energy Initiative of 70 percent renewable energy by 2030 goal.

Castle & Cooke is uniquely situated to build an unprecedented renewable energy project on Lanai. A 400 mega watt wind farm, as currently planned by Castle & Cooke:

- 1) has the potential to supply more than one million mega watt hours of electricity a year – about 15% of Oahu's annual power needs;
- 2) could offset emissions equivalent to 220,000 cars per year; and
- 3) reduce oil imports to Hawaii by 3 million barrels per year.

Obviously, the advantages to the State of Hawaii are tremendous. Moreover, the potential of this project is magnified because Castle & Cooke owns 98 percent of the island, and has a very motivated owner, who is not asking for any state financial assistance. The combination of these factors is unique and opportune, but we must expedite the process while being good stewards of our resources, environment and culture.

So far, the process of establishing large scale renewable projects in Hawaii has averaged ten years, many of which were bogged down in redundant and time consuming permitting processes. This type of unpredictable and drawn out permitting process is injurious to further investment by private industry into the large scale renewable energy projects Hawaii needs to secure its energy future and meets its renewable goals.

Castle & Cooke is committed to investing over close to \$1 billion to create a wind farm on Lanai that could produce 15 percent of Oahu's electricity needs, and reduce our State's dependency on imported oil. As a developer committed to Hawaii's future, what Castle & Cooke is looking to the Legislature for is some predictability with respect to the government permitting process. **Ten years is too long to be mired in redundant permitting process, which currently does not have explicit timetables.** HB 2505 establishes a renewable energy facilitator position that could potentially expedite review and action on permits that are critical to any large renewable energy project.

On behalf of Castle & Cooke, I ask for your support for HB 2505. Mahalo and thank you for your consideration of our testimony.

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

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Hawaii Solar Energy Association
Serving Hawaii Since 1977

TESTIMONY OF THE HAWAII SOLAR ENERGY ASSOCIATION
IN REGARD TO H.B. 2505
RELATING TO ENERGY
BEFORE THE
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION
ON
TUESDAY, FEBRUARY 5, 2008

Chair Morita, Vice-Chair Carroll, my name is Richard Reed and I represent the Hawaii Solar Energy Assn. (HSEA). HSEA supports the passage of H.B. 2505, with qualifications.

It is clear that we must accelerate the implementation and commercialization of renewable energy resources in Hawaii. It is equally clear to many that have worked on large scale projects in Hawaii that compliance with our various permitting entities can be complex and time consuming.

H.B. 2505 seeks to simplify this process by creating within DBEDT a full-time, permanent renewable energy project "facilitator". There is no discussion of the facilitator's actual authority to expedite permits and cut through red tape, so we presume the position will be largely that of a competent advisor steering potential project investors through the various hoops and land mines.

This role certainly has value, but we remain concerned that facilitation alone will be sufficient to simplify, clarify, and expedite the permitting process that now wanders through so many different agencies and jurisdictions.

In recent memory the DBEDT Energy Division has been under funded relative to the many tasks they have been asked to administer. Although the position is described as permanent, funding is only requested for one fiscal year. In my experience it will take the new appointment at least that long simply to come up to speed.

In general, we believe that DBEDT will need to acquire a number of competent full-time staff over the next few years to administer, analyze, and manage the incredibly important transition that is now underway in Hawaii from a fossil to renewable based economy.

Thank you for the opportunity to testify.

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TESTIMONY OF WARREN BOLLMEIER ON BEHALF OF THE HAWAII
RENEWABLE ENERGY ALLIANCE BEFORE THE HOUSE COMMITTEE ON
ENERGY AND ENVIRONMENTAL PROTECTION

HB 2505, RELATING TO ENERGY

February 5, 2008

Chair Morita, Vice-Chair Carroll and members of the Committee I am Warren Bollmeier, testifying on behalf of the Hawaii Renewable Energy Alliance (HREA). HREA is a nonprofit corporation in Hawaii, established in 1995 by a group of individuals and organizations concerned about the energy future of Hawaii. HREA's mission is to support, through education and advocacy, the use of renewables for a sustainable, energy-efficient, environmentally-friendly, economically-sound future for Hawaii. One of HREA's goals is to support appropriate policy changes in state and local government, the Public Utilities Commission and the electric utilities to encourage increased use of renewables in Hawaii.

The purpose of HB 2505 is to establish a renewable energy facilitator position with DBEDT. HREA strongly supports this bill with the following comments:

1. Need for Government Assistance to Developers of Renewable Energy Projects. Renewable energy developers do face a "steep" learning curve in Hawaii when it comes to permitting projects, especially on government land. Thus, it would be extremely helpful if a dedicated "Energy Coordinator" could work full-time to:
 - a. assist developers in identifying required permits, and
 - b. work with other agencies to coordinate the permitting processNote: by "coordinate" we mean, in part, identifying which permits can be processed in parallel, as opposed in sequence, which should save developers time and money;
2. DBEDT-Energy Office. HREA notes there is a broader discussion regarding whether the Energy Office should be strengthened and/or elevated within DBEDT, or whether a state Dept. of Energy should be formed. Regardless of the outcome of that discussion, the "Energy Coordinator" position is needed yesterday and will certainly be needed tomorrow; and
3. Permanent Position. Given the above, HREA supports the provision of the "Energy Coordinator" as a permanent position, funded by the state.

Thank you for this opportunity to testify.