



**DEPARTMENT OF BUSINESS,  
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**

Wednesday, February 20, 2008

4:30 PM

State Capitol, Conference Room 308

in consideration of

**HB2505,HD1**  
**RELATING TO ENERGY.**

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

The Department of Business, Economic Development, and Tourism (DBEDT) supports the intent of HB2505,HD1 that establishes and funds a renewable energy facilitator position. The position is also provided in the Executive Supplemental Budget to assist developers with the permit approval process and to initiate implementation of appropriate facilitation strategies as intended by this measure.

Pursuant to SCR 164, Regular Session of 2007, DBEDT conducted a study to create a one-stop permit shop for renewable energy projects. The study, submitted to the Legislature, provides information on a number of permit facilitation strategies successfully employed in other states to assist renewable energy project developers without diminishing environmental objectives. The renewable energy facilitator position is critical to implementation of these strategies.

DBEDT recommends strongly that any effort at improving Hawaii's permitting processes be provided with the appropriate authority and commensurate resources to undertake this difficult task.

Thank you for the opportunity to offer these comments.

**HAWAII RENEWABLE ENERGY ALLIANCE**

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**Officers**

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Vice-President  
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Cully Judd  
Inter Island Solar Supply

John Crouch  
Sunpower

Herbert M. (Monty) Richards  
Kahua Ranch Ltd.

**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.

# LIFE OF THE LAND

*Ua Mau Ke Ea O Ka Aina I Ka Pono*

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## COMMITTEE ON FINANCE

Chair: Rep. Marcus R. Oshiro

Vice Chair: Rep. Marilyn B. Lee,

WEDNESDAY, February 20, 2008

4:30 P.M.

Conference Room 308

[FINtestimony@Capitol.hawaii.gov](mailto:FINtestimony@Capitol.hawaii.gov).

HB 2505, HD1 RELATING TO ENERGY

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

Life of the Land is Hawai'i's own environmental and community action group advocating for the people and the `aina since 1970. Our mission is to preserve and protect the life of the land through sustainable land use and energy policies and by promoting open government through research, education, advocacy, and litigation.

HB 2505 states that a 1991 study found that "the permitting and approval process required for the development and siting of energy facilities for a single project can take up to seven years to complete". So 17 years later the Legislature is proposing a fix: hire one person to work in DBEDT.

What is never, ever, discussed in the substance behind the "seven years" phrase, that is, what portion of the time is spent negotiating with the utility and what portion is spent on the regulatory agencies.

Mahalo,

Henry Curtis  
Executive Director



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## Testimony by Castle & Cooke Hawaii

### Before the Committee on Energy & Environmental Protection

February 20, 2008

4:30 p.m.

Room 308

### HB 2505, HD1 Relating to Energy

Chair Oshiro, Vice Chair Lee 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, HD1, 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, HD1 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 to enforce deadlines, 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, HD1, 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. Castle & Cooke is not trying to circumvent any environmental or cultural reports or studies.** Rather it believes that HB 2505, HD1, that establishes a renewable energy facilitator position 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, HD1. Mahalo and thank you for your consideration of our testimony.

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

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