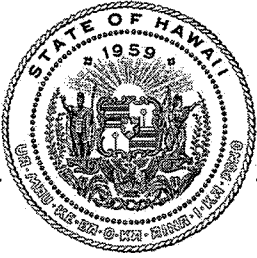


HB 2505 HD2



**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 ENERGY AND ENVIRONMENT

Tuesday, March 18, 2008
3:15 PM
State Capitol, Conference Room 414

in consideration of

**HB 2505 HD2
RELATING TO ENERGY.**

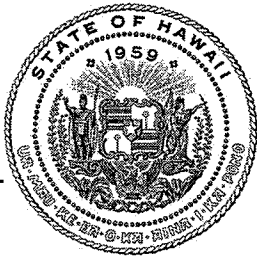
Chair Menor, Vice Chairs Hooser, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) supports the intent of HB 2505 HD2 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.

DBEDT strongly recommends that the detailed list of duties and responsibilities specified for the position should be simplified and made more achievable, in view of the limited resources provided by this measure, with modifications as follows:

Deleting paragraphs (2) and (3) in their entirety beginning on line 15 on page 4.

HB 2505 HD2



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Deleting paragraphs (2) and (3) in their entirety beginning on line 15 on page 4.

Deleting paragraph (5) in its entirety beginning on line 7 on page 5, and replacing it with the following:

(5) Renewable energy project facilitation as appropriate;

Deleting paragraph (7) in its entirety beginning on line 12 on page 5.

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.



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 Committee on Energy and Environment

March 18, 2008

3:15 p.m.

Room 414

HB 2505, HD2 Relating to Energy

Chair Menor, Vice-Chair 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 support for HB 2505, HD2, 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, HD2 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
 - 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

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, HD2, 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 goal of 70 percent renewable energy by 2030.

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, HD2, 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, 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



D. NOELANI KALIPI
DIRECTOR, GOVERNMENT & COMMUNITY RELATIONS
UPC WIND MANAGEMENT, LLC

TESTIMONY ON H.B. 2505, HD2
BEFORE THE
HAWAII SENATE
COMMITTEES ON
ENERGY AND ENVIRONMENT
ON
TUESDAY, March 18, 2008
3:00 P.M. CONFERENCE ROOM 414

My name is D. Noelani Kalipi and I am the Director of Government & Community Relations for UPC Wind Management, LLC. UPC Wind Management, LLC is a wholly-owned subsidiary of UPC Wind Partners, LLC and provides administrative services to UPC Hawaii Wind, a partnership between UPC Wind Partners and Makani Nui Associates. An affiliate of UPC Hawaii Wind developed, constructed and owns and operates Hawaii's largest utility-scale wind farm, Kaheawa Wind Power, a 30MW facility located on the island of Maui. UPC Hawaii Wind is actively working to decrease Hawaii's reliance on fossil fuels for its electricity needs and has been working to develop additional wind generation facilities on the islands of Oahu, Kauai, Maui, and Molokai. **UPC Hawaii Wind strongly supports the passage of HB 2505, HD2 as drafted.**

The principals of UPC Hawaii Wind constructed Hawaii's largest wind farm, Kaheawa Wind Power (30 MW), on state conservation lands. We are well-aware of how time-consuming and complicated it can be to permit a wind farm in Hawaii. At one time during the construction and development of our project, we were working with close to 30 different government agencies to obtain the necessary permits and approvals that were required to construct the wind farm.

We believe this process can be made more streamlined through appropriate coordination between state, federal, and county agencies. The establishment of a Renewable Energy Facilitator who is responsible for monitoring these activities and has the authority to create a process that eliminates unnecessary repetition and allows for efficiencies such as concurrent permitting and joint review would be an important step forward.

8 Kiopa'a Street, Suite 104
Pukalani, HI 96768
808 - 572-6163
Fax: 808-572-6173
www.kaheawa.com

1155 Waialeale Place
Hilo, HI 96720
808-961-6970
Fax: 808-961-6979
www.upcwind.com

UPC Hawaii Wind is proud of its demonstrated record, which includes the precedent of being the first operating wind farm in the United States to establish a Habitat Conservation Plan, which required joint jurisdiction between the State of Hawaii's Division of Forestry and Wildlife and the U.S. Department of Fish and Wildlife. We believe the community, public, and government review is critical to the success of a wind project in Hawaii. There must be transparency as well as an opportunity for public input in the process.

UPC Hawaii Wind supports streamlining the permitting process in terms of eliminating unnecessary duplication in the permitting process, concurrent review of permits, where applicable, and better communication and coordination among agencies with jurisdiction. UPC Hawaii Wind feels strongly, however, that jurisdiction in the permitting process needs to remain with state agencies and counties that have the expertise, personnel, and resources to provide the appropriate review of any proposed wind farm in Hawaii, particularly one that would involve an undersea cable.

We stand at the brink of change in Hawaii, where, after many years of ideas and dreams, we finally have reliable technology to harness our natural resources in a manner that can truly provide us with a measure of sustainability. We must be careful as we move forward that we do so in a culturally and environmentally appropriate manner. A streamlined and coordinated permit process that applies to renewable energy projects on every island ensures such success in the State of Hawaii.

For these reasons, we respectfully ask your favorable passage of HB 2505, HD2. Thank you for this opportunity to testify.

HAWAII RENEWABLE ENERGY ALLIANCE

46-040 Konane Place #3816, Kaneohe, HI 96744 – Telephone/FAX: 247-7753 – Email: wsb@lava.net

Officers

President
Warren S. Bollmeier II

Vice-President
John Crouch

Directors

Warren S. Bollmeier II
WSB-Hawaii

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.



COLLEGE OF SOCIAL SCIENCES
HAWAII ENERGY POLICY FORUM
UNIVERSITY OF HAWAI'I 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. 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 Paviček, 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
Warren Bollmeier
Co-Chair – Renewable Energy Working Group
Hawai'i Energy Policy Forum

Senate Committee on Energy and Environment
Tuesday, March 18, 2008
3:15 pm
Conference Room 414

IN SUPPORT OF HB 2505, HD 2 – Relating to 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 2505, HD 2 as it helps achieve Point 1 – expand renewable energy opportunities.

HB 2505, HD 2 establishes a renewable energy facilitator position in the Department of Business, Economic Development & Tourism (DBEDT). In recent years, Hawaii has attracted a large number of renewable energy developers, thanks in large part to the efforts of the Legislature to make our state a leader in renewable energy use. A full-time renewable energy facilitator in DBEDT would enable renewable energy projects to be implemented at a quicker pace by guiding developers through various permitting processes and procedures, while at the same time ensuring that developers proceed with their projects in an environmentally and culturally sensitive manner.

For these reasons, the Forum supports HB 2505, HD 2 and urges the committee to pass this measure.

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