



STATE OF HAWAII  
DEPARTMENT OF HEALTH  
P.O. Box 3378  
HONOLULU, HAWAII 96801-3378

In reply, please refer to:  
File:

COMMITTEE ON FINANCE

H.B. 2862, H.D.1, Relating to Wind Energy

Testimony of Chiyome Leinaala Fukino, M.D.  
Director of Health

February 25, 2008  
4:00 pm

1 **Department's Position:** The Department of Health (DOH) supports renewable energy and a faster and  
2 more efficient permit process and offers comments.

3 **Fiscal Implications:** None

4 **Purpose and Justification:** This measure is amended to improve the permitting process required for  
5 the development of a wind energy and undersea cable project. The Department of Business, Economic  
6 Development, and Tourism (DBEDT) is charged with responsibility over the permitting process.

7 The administration had a bill last year which would have coordinated permitting, and this year  
8 the Governor's State of the State address included making permitting easier for renewable energy  
9 projects, so we are pleased to see acceptance of the concept.

10 The DOH gives priority to processing alternative energy permits and has developed general  
11 permits to streamline the permit process. Our efforts help. For example, the DOH took two and three  
12 days, respectively, to issue Notices of General Permit Coverage for Big Island Pakini Nui Windfarm and  
13 Maui Kaheawa Wind Power project, respectively, after receipt of complete Notices of Intent.

14 We do question whether this bill requires more resources and ask that the legislature not replace  
15 the priorities in the executive supplemental budget proposal.

16 Thank you for the opportunity to testify on this measure.

**HAWAII RENEWABLE ENERGY ALLIANCE**

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TESTIMONY OF WARREN BOLLMEIER ON BEHALF OF THE HAWAII  
RENEWABLE ENERGY ALLIANCE BEFORE THE  
HOUSE COMMITTEE ON FINANCE

HB 2862 HD1, RELATING TO WIND ENERGY

February 25, 2008

Chair Oshiro, Vice-Chair Lee 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 2862 HD1 is to establish a consolidated process for the approval of permits for an interisland wind energy and undersea cable project. HREA supports the intent of this bill, but cannot support the bill as drafted for the following reasons:

1. Too Specific an Endeavor. We do not believe it is appropriate for a bill such as this to be designed to help one specific technology, such as wind, or one specific project. That was attempted before for geothermal without success;
2. Competitive Bidding Framework. The proposal in HB 2862 HD1 is tantamount to the state supporting a "sole-source" bid, whereas the utilities are now required to bid out projects competitively when new generation is needed; and
3. Role of the Project Coordinator. The bill as written includes establishing a project coordinator at DBEDT, but it is implied this coordinator would be assist a number of projects. However, the overall bill implies support to one wind project. We do not believe this is appropriate.

Thank you for this opportunity to testify.

# **Written Testimony before the House Committee On Finance**

**By Ken T. Morikami  
Manager, Engineering Department  
Hawaiian Electric Company, Inc.**

**February 25, 2008, 4:00pm  
Agenda #6**

**House Bill 2862 HD1  
Relating to Utilities**

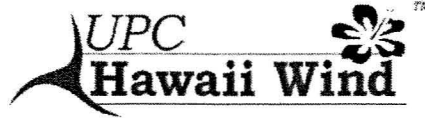
Chair Oshiro, Vice Chair Lee and Members of the Committee:

My name is Ken Morikami and I am testifying on behalf of the Hawaiian Electric Company and its subsidiaries, Hawaii Electric Light Company and Maui Electric Company.

We appreciate the intent of HB 2862 HD1, which is to improve the permitting process required for timely development of renewable energy in Hawaii.

We suggest, however, that the committee consider expanding the bill to include other forms of renewable energy such as the development of solar energy.

Thank you for the opportunity to testify on this matter.



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

TESTIMONY ON H.B. 2862, HD1  
BEFORE THE  
HOUSE OF REPRESENTATIVES  
COMMITTEE ON FINANCE  
ON  
MONDAY, February 25, 2008  
4:00 P.M. CONFERENCE ROOM 308

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 supports the passage of HB 2862, HD1 as drafted.**

UPC Hawaii Wind initially opposed HB 2862 as introduced because it included (1) language that made the bill exclusive to a wind farm on Lanai and (2) attempted to consolidate the extensive permitting process for a project of this magnitude by eliminating jurisdiction from those agencies with extensive expertise in issues that require examination (e.g. conservation, incidental take, archaeological and cultural impact) and, in the name of expediency, placed all of that review under the Department of Business, Economic Development, and Tourism.

In its current form, HB 2862, HD1, is applicable to all islands and includes a streamlined and coordinated, but not consolidated, process. In hearings by other House Committees, individuals have testified that the coordinated approach should be applicable to all renewable energy projects in Hawaii. We support those efforts and believe a streamlined,

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coordinated process for all renewable energy projects would be an important step forward in Hawaii's efforts to decrease its reliance on fossil fuels for electricity generation needs.

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. We are proud of our 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 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.

Instead of transferring jurisdiction from other state agencies to DBEDT, we support the establishment of a renewable energy facilitator within DBEDT that is charged with coordinating the permitting process with the wind developer and the state, federal, and county governments to ensure timely, yet proper, review of the proposed project. Similarly, the review or acceptance of any Environmental Impact Statements or Environmental Assessments should remain with state agencies with appropriate jurisdiction in this coordinated process. We support the proposed statutory deadline for the process and believe 24 months is a reasonable time to move a project through its required review.

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 2862, HD1 as drafted. Thank you for this opportunity to testify.



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**Testimony by Castle & Cooke Hawaii**

**Before the Committee on Finance**

**February 25, 2008**

**4:00 pm**

**Room 308**

**HB 2862, HD1 Relating to Wind Energy**

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

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 the intent of HB 2862, HD 1, that establishes a coordinated process for the approval of permits for an interisland wind energy and undersea cable project.

**However, coordination is not sufficient. We need consolidation as set forth in the original HB 2862, rather than a coordinated process, as set forth in HB 2862, HD1, for the approval of permits for an interisland wind energy and undersea cable project.**

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 Castle & Cooke supports believes that consolidation, as set forth in HB 2862 is essential to our efforts and to the success of the State's renewable energy mandate.

**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 close to \$1 billion 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 2862, HD1, but believes that a consolidated process, as set forth in the original HB 2862, rather than a coordinated process, as set forth in HB 2862, HD1, for the approval of permits for an interisland wind energy and undersea cable project 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.

Castle & Cooke's plans to build a wind farm on Lanai, which can provide Oahu with 15 percent of its electricity needs is unprecedented. Although there have been attempts in the past to bring renewable energy from one island to another, like bringing abundant geothermal energy from the Big Island to serve the critical need on Oahu, technical logistics have prevented developers from actual implementation. In comparison, proven technology exist now, by which up to 400 mega watts of energy can be safely transmitted undersea for over 100 miles, way more then the distance between Lanai and Oahu. The time to take action is this renewable energy project is now.

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 2862 establishes a needed consolidated process for the approval of permits for an interisland wind energy and undersea cable project.

On behalf of Castle & Cooke, I ask for your support for the intent of HB 2862, HD1, in the original form of HB 2862. Mahalo and thank you for your time.

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

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