

**THE UNIVERSITY OF HAWAII ENVIRONMENTAL CENTER IS
PLEASED TO SUBMIT THIS TESTIMONY IN ACCORDANCE
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AUTHORS ARE MEMBERS OF THE UNIVERSITY COMMUNITY.**

RL: 2205

HB 2862 HD2 SD1
RELATING TO WIND ENERGY

Senate Committee on Ways and Means

Public Hearing – March 28, 2008
9:30 a.m., State Capitol, Conference Room 211

by
Peter Rappa, Environmental Center

HB 2862 HD2 SD1 establishes a coordinated process for the approval of permits for an interisland wind energy and undersea cable project. We emphasize that our testimony on this measure does not represent an official position of the University of Hawaii.

The state needs to find ways to diversify its sources of energy production and to move away from its overwhelming dependence on fossil fuels. Fossil fuel costs are rising and will continue to do so as global economics continue to dictate fuel supply and demand. Fossil fuels also contribute to the production of greenhouse gases, which the state is trying to reduce. Streamlining the permitting process to allow for a faster approval of alternative energy production methods may make it more appealing to those promoting such endeavors. One question we have is why is the state trying to streamline only the wind energy permitting process? Is this the only alternate energy technology available to Hawaii? It would seem wise for the state to examine permitting processes for all types of alternative energy productions feasible for Hawaii and recommend a comprehensive plan for handling permits for alternative energy production proposals.

This bill also creates some problems. First, it reduces county agencies to bystanders in the process in favor of a state agency that will make all the zoning, Special Management Area, and County development decisions. Second, it will allow the Department of Business and Economic Development and Tourism to make determinations on the health and safety of Hawaii's people and the protection of its environment even though they may not have the expertise. Third, it could potentially allow the siting in an environmentally sensitive area such as a wetland by automatically conferring on the site chosen for the facility the appropriate land use and zoning necessary to carry out the project. Finally, it changes Chapter 343 the state's environmental review law by allowing alternative energy facilities to be treated differently than other major projects.

This bill creates all these problems and more without examining the underlying premise for its introduction, namely that the permitting process is interfering with the introduction of

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large scale alternative energy facilities. There have been very few plans for alternative energy facilities of the scale called for in this bill in recent memory. Without any experience in how Hawaii's review and permitting process works, the legislature wishes to change it. Without any indication of where the bottlenecks will occur and how they may be overcome, the legislature wishes to change the process.

It seems to be prudent and fair to allow the present process to play out to see if in fact any change is necessary.

Thank you for the opportunity to comment on this bill.

HAWAII RENEWABLE ENERGY ALLIANCE

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TESTIMONY OF WARREN BOLLMEIER ON BEHALF OF THE HAWAII
RENEWABLE ENERGY ALLIANCE BEFORE THE
SENATE COMMITTEE ON WAYS & MEANS
HB 2862 HD2, RELATING TO WIND ENERGY

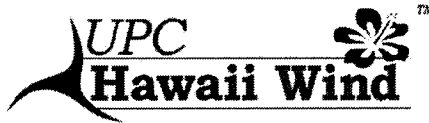
March 18, 2008

Chairs Menor and Kokubun, Vice-Chairs Hooser and Ige and members of the Committees 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 HD2 is to establish a consolidated process for the approval of permits for an interisland wind energy and undersea cable project. HREA **opposes** this bill 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;
2. Competitive Bidding Framework. The proposal in HB 2862 HD2 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;
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; and
4. Better Approach. HREA recommends HB 2863 as a better vehicle for coordination of the permitting process for all renewable energy facilities.

Thank you for this opportunity to testify.



LATE

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

TESTIMONY ON H.B. 2862, HD2, SD1
BEFORE THE
HAWAII SENATE COMMITTEE
ON
WAYS & MEANS
ON
FRIDAY, March 28, 2008
9:30 A.M. CONFERENCE ROOM 211

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.

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. This is the process that we believe should be better coordinated so that permits can be considered concurrently, where appropriate, and reviews can be conducted jointly. HB 2862, HD2, SD1 begins to address the coordination which would streamline what is currently a lengthy, repetitive and often redundant permitting process.

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

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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.

There are several bills before the State Legislature that seek to streamline the permitting process for renewable energy projects in Hawaii. UPC Hawaii Wind supports improving the efficiency of the permitting process by eliminating unnecessary duplication in the permitting process; providing for concurrent review of permits, where applicable; and encouraging communication and coordination among agencies with jurisdiction over a proposed project. 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.

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, HD2, SD1 is applicable to all islands and includes a streamlined and coordinated, but not consolidated, process. In hearings before other Committees reviewing this measure, 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, 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.

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. Thank you for this opportunity to present testimony.

testimony

From: Art Mori [amori@netserver05.chaminade.edu]
Sent: Thursday, March 27, 2008 9:20 PM
To: testimony
Subject: Testimony opposing HB 2862

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COMMITTEE ON WAYS AND MEANS
Chair: Senator Rosalyn H. Baker
Vice Chair: Senator Shan S. Tsutsui
Friday, March 28, 2008
9:30 a.m.
Conference Room 211
HB 2862 Relating to Wind Energy

Please vote against this blatant giveaway!!

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