

Testimony before the  
House Committee on  
Energy and Environmental Protection

H.B. 3070 – Relating to Energy Emergency Preparedness

Tuesday, February 5, 2008  
8:30 am, Conference Room 312

By Dean Mizumura  
Superintendent, Operations Planning  
Hawaiian Electric Company, Inc.

Chair Morita, Vice Chair Carroll and Members of the Committee

My name is Dean Mizumura and I am testifying on behalf of Hawaiian Electric Company, Inc. and its subsidiaries, Maui Electric Company, Ltd. and Hawaii Electric Light Company.

This measure grants authority to the director of DBED&T to acquire, use and analyze information on Hawaii's energy resources, systems and markets to respond to and recover from an emergency. This would require information from a broad array of both private and public sector sources.

Hawaiian Electric appreciates and recognizes the importance of being prepared to respond to emergency situations and the need for close coordination with state and county agencies. However, we have very strong reservations regarding the information that is being requested. Not all is relevant to the stated purpose of this measure. This request for information goes beyond what would be required to manage an energy emergency. It involves detailed operational information on command and control centers and load control schemes that is of little or no use for the evaluation of energy shortages. In addition, this is highly sensitive information.

It involves the data we use to monitor and control generation and transmission of electricity within our grid. Security is essential to prevent cyberterrorism, and the more broadly this information is shared the greater the risk of misuse.

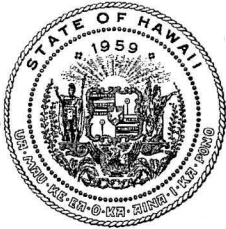
During emergency situations, we work closely with state and county agencies such as State Civil Defense and the City and County Department of Emergency Management to ensure that everyone is informed of what the Companies are doing and to respond to questions or inquires they may have. In fact HPD and HFD both assign personnel to be present at HECO's dispatch center to stay abreast of a developing situation. In addition, HECO personnel are assigned as liaison to state and city civil defense centers whenever our incident command team is activated. We will continue to give attention to these working relationships and are always open to suggestions in improving the communications between key state and city agencies.

Some of the requested utility information is currently available to DBED&T through the Public Utilities Commission. Accordingly, this measure may be duplicative of communications channels already established. Furthermore, energy, fuel, cost and generation capacity information is provided to the Public Utilities Commission, and we believe that information may be shared with DBED&T in the event of an emergency.

The proposed measure provides the Director of DBED&T with full discretion and authority to require any information pertaining to the utility at any time and within a prescribed time frame as determined by the Director. This appears to be much broader authority than required for emergency purposes. We have concerns that this broad requirement could result in an administrative burden for the utilities, duplicate efforts already in place with the PUC, and add little if any value to the state's ability to respond to an emergency.

Hawaiian Electric Company, Inc., Maui Electric Company and Hawaii Electric Light Company are active participants in the Energy Council which is lead by DBED&T to address energy shortages or emergencies and where time is of the essence. The Energy Council is one of the emergency support functions, ESF-12, under the State Civil Defense umbrella. This proactive relationship has been in place for many years. It functions very effectively and addresses the needs that are identified in this bill. Thus, there is no need to overlay another process at this time.

We respectfully recommend that H.B. 3070 be deferred for further consideration and discussion of its relationship to existing information channels, reporting obligations, and security sensitivities. In the alternative, we recommend that specific sections and language pertaining to utilities from the proposed measure be deleted as the information requested is overbroad and irrelevant to the purpose of this bill.



**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 ENERGY & ENVIRONMENTAL PROTECTION**

Tuesday, February 5, 2008

8:30 am

State Capitol, Conference Room 312

in consideration of

**HB 3070**

**RELATING TO ENERGY EMERGENCY PREPAREDNESS.**

Chair Morita, Vice Chair Carroll, Members of the Committee  
on Energy & Environmental Protection.

The Department of Business, Economic Development, and  
Tourism (DBEDT) strongly supports HB 3070, an administration  
bill, comprehensively addresses deficiencies in Hawaii's Energy  
Emergency Preparedness (EEP) program. We are grateful that this  
bill is being heard by your committee.

Current provisions of Chapter 125C, Hawaii Revised Statutes  
(HRS), require only importers of fuel to provide emergency data  
reports, and then only for supply and demand information. HRS  
Chapter 125C's outdated limitations of data collection authority  
and lack of accommodation of changed energy markets, and changes  
of fuel products and specifications preclude the Governor and  
DBEDT Director/Energy Resource Coordinator's (ERC) ability to  
adequately ascertain the severity and impacts of an energy  
emergency or fuel shortage, and to determine what response

measures may be necessary in a timely fashion. Vital information from other non-importing distributors, wholesalers, retailers, and other major energy companies, and other more extensive and detailed types of data and information on all aspects of the state's energy systems and market are essential for effective energy emergency situational analyses and reporting, coordination and management of near- and longer-term energy emergency response and vulnerability mitigation initiatives, preparedness and exercise functions, maintaining current energy emergency plans, and energy security policy planning and analysis - all necessary components to ensure the readiness and robustness of the State's EEP program.

The recent statewide propane shortage and earthquake underscored and validated the need to address the serious inadequacies of the current statutes and the State's concern that the data reporting and collection provisions of these energy emergency preparedness laws, do not include all necessary data and all relevant components of the energy industry.

In summary, the bill proposes amendments to Chapter 125C, HRS, which represent a comprehensive, integrated approach to update and address deficiencies in Hawaii's energy emergency preparedness law to:

- (1) Update and align provisions of the statute with relevant state and federal policies and plans;

- (2) Update key definitions to account for transition issues related to biofuels and other alternate fuels, and the proliferation of new categories and specifications of petroleum fuels;
- (3) Address increasing unique economic/energy systems risks corresponding to transition issues/trends, keeping pace with the volume and variety of fuels and fuel production feedstocks being directly imported into the state and the new, fuel- and feedstock-specific infrastructure requirements associated with such transitional issues and trends;
- (4) Ensure that State (Governor, and DBEDT Director/State ERC) has the appropriate authority to require major energy companies to report critical emergency preparedness information regarding storage, transport, inventory, supply, demand, production and capacities, actual prices, and other aspects of energy systems and markets, which are essential to the State's emergency management role, irrespective of these companies' import status; and,
- (5) Establish definitive policy guidance needed on the nature and relationship of energy data analyses to the State Energy Program, and add functional detail to the distinctive analytic roles and responsibilities of

State agencies conducting energy data functions,  
particularly DBEDT and the PUC.

Thank you for the opportunity to offer these comments.

# OFFICE OF INFORMATION PRACTICES

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To: House Committee on Energy and Environmental Protection

From: Paul T. Tsukiyama, Director

Date: February 5, 2007, 8:30 a.m.  
State Capitol, Room 312

Re: Testimony on H.B. 3070  
Relating to Energy Emergency Preparedness

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Thank you for the opportunity to submit testimony on H.B. 3070.

The Office of Information Practices (“OIP”) takes no position on the substance of this bill. OIP seeks clarification of proposed section 125C-D (bill pages 15-17). It appears that these sections are intended to ensure that the agency keeps confidential any information received that could properly be withheld from disclosure under the Uniform Information Practices Act (“UIPA”), chapter 92F, HRS. The UIPA protects (among other things) confidential business information, which would typically include non-public financial information that would allow a competitor to determine a business’s overhead or profitability. However, as drafted the sections could be read to make confidential any information that the submitter marks confidential, regardless of whether it would actually fall within an exception to disclosure under the UIPA. OIP recommends that this Committee clarify that the agency is required only to keep confidential the information that could properly be withheld under the UIPA.



For proposed section 125C-D, OIP recommends that beginning at page 15, line 7, the bill should read, “All ~~[confidential]~~ information received by the director that is exempt from public disclosure under section 92F-13~~[, and]~~ shall be held in confidence by the director . . . .” Beginning at page 15, line 16, the bill should read, “. . . information received by the director to the extent it is exempt from public disclosure under section 92F-13, and, . . . .” Beginning at page 16, line 6, the bill should read, “. . . specific information that ~~[is]~~ it considers confidential, provided that the information specified shall only be kept confidential as provided for in this section if it is exempt from public disclosure under section 92F-13. . .” Beginning at page 16, line 7, the bill should read, “. . . with respect to ~~[the confidential]~~ information that is exempt from public disclosure under section 92F-13 that the director obtains, . . . .”

Thank you for the opportunity to testify.

STATE OF HAWAII  
DEPARTMENT OF DEFENSE

TESTIMONY ON HOUSE BILL 3070  
A BILL RELATING TO ENERGY EMERGENCY PREPAREDNESS

PRESENTATION TO THE

COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

BY

MAJOR GENERAL ROBERT G. F. LEE  
DIRECTOR OF CIVIL DEFENSE

February 5, 2008

Chair Morita and Committee Members:

I am Major General Bob Lee, Director of Civil Defense, State Department of Defense. I am testifying in support of House Bill 3070.

While we have benefited from the cooperation of the energy sector throughout the State in terms of disaster preparedness, critical infrastructure protection planning, and disaster response, the proposed bill provides the Department of Business, Economic Development, and Tourism the authority to require energy companies to report critical emergency preparedness information. This information will enhance the State's ability to prepare effective energy preparedness and contingency plans.

Thank you for the opportunity to provide testimony on behalf of an important emergency preparedness initiative.