

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 ECONOMIC DEVELOPMENT AND TAXATION

HB 3444 HD2 SD1, RELATING TO ENERGY

March 18, 2008

Chair Fukunaga, Vice-Chair Espero 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 purposes of HB 3444 HD2 SD1 are to: (1) establish the energy security special fund, (2) rename the environmental response tax the "environmental response and energy security tax" and increases the tax, (3) amend the uses of tax revenue to include deposits to the energy security special fund and the energy systems development special fund, (4) amend uses of the environmental response revolving fund by deleting energy conservation and alternative energy development uses, and (5) appropriates moneys to the Energy Security Special Fund. HREA **strongly supports** this bill with the following comments:

1. Support of DBEDT-Energy Office. A long-term source of funding for DBEDT's Energy Office is needed. The proposed energy security special fund could provide certainty for funding of the Energy Office, assuming that the fund matched or exceeded the requirements of the Energy Office;
2. Source of Funding. While HREA generally is not in favor of tax increases, we believe it is appropriate to place a tax on imported fossil energy to fund the proposed energy security special fund. We recommend that the tax be placed now only on importation of crude oil, but also refined petroleum products and coal; and
3. Energy Security Special Fund Security. HREA highly recommends that language be added to the bill to ensure that the energy security special fund can only be used for the stated purposes, i.e., it cannot be raided for other purposes.

Thank you for this opportunity to testify.