



EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

WRITTEN ONLY

Testimony of Linda L. Smith
Senior Policy Advisor to the Governor

Before the

Senate Committee on Ways and Means

Friday, February 15, 2008
9:30 AM

Senate Bill 146, SD1, Relating to State Funds

Chair Baker, Vice Chair Tsutsui, and Members of the Committee:

The Lingle-Aiona Administration strongly opposes Senate Bill 146, SD1, legislation that repeals Section 211F-5.7, Hawaii Revised Statutes, which established the hydrogen investment capital fund.

In 2006, the Governor announced a bold and innovative "Energy for Tomorrow" legislative package which included, among other initiatives, a proposal to create a hydrogen program and a hydrogen investment capital fund. Your Committee held hearings on this proposal in 2006 and we discussed how the legislation would further the State's efforts to develop renewable energy resources and attract public and private capital. The Legislature later passed an omnibus energy bill (SB 2957, Act 240, SLH 2006) which contained the bulk of the Governor's Energy for Tomorrow package, including the hydrogen program and the hydrogen investment capital fund.

Act 240 created a map for Hawaii to begin reducing our dependence on foreign oil. And as promised, it opened new pathways for opportunity and investment in the renewable energy sector. Just last month, the Governor announced the Hawaii Clean Energy Initiative, an unprecedented partnership between the U. S. Department of Energy and the State of Hawaii. Moreover, the hydrogen fund is drawing the needed capital and investment to address Hawaii's energy challenges. These activities are occurring because Hawaii demonstrated through Act 240 that it is serious about

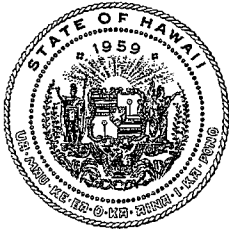
creating "energy for tomorrow." Establishing the hydrogen energy investment fund is one critical piece of this effort.

Every day we hear members of the House and Senate talk about the need to reduce our dependence on foreign oil and expand renewable energy opportunities in our State. With the Legislature's support, Energy for Tomorrow and initiatives like the hydrogen investment capital fund put us on the map. Unfortunately, this piece of legislation before us today is a setback and has the potential to unravel the progress we worked so hard together to achieve.

We cannot expect the federal government, investors, and global markets to take us seriously if we pass this legislation. We cannot afford to send this type of message to renewable energy industries who have invested time and money in our State.

I respectfully ask the Members of this Committee to consider carefully the potential ramifications of this legislation and to hold this measure in Committee.

Thank you.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

LINDA LINGLE
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Statement of
THEODORE E. LIU
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE
ON
WAYS AND MEANS
Friday, February 15, 2008
9:30 a.m.
State Capitol, Conference Room 211

in consideration of
SB 146 PROPOSED SD 1
RELATING TO STATE FUNDS.

Chair Baker, Vice Chair Tsutsui and members of the Committee.

The Department of Business, Economic Development & Tourism opposes SB 146 PROPOSED SD1, a measure that will repeal Section 211F-5.7, Hawaii Revised Statutes, which established the hydrogen investment capital fund.

Sections 196-3 and 196-4, HRS, provides for a State of Hawaii energy plan and an energy resources coordinator.¹ The state energy program duties include formulating plans, including objectives, programs through which the objectives are to be attained, and financial requirements for the optimum development of Hawaii's energy resources² and developing programs to encourage private and public exploration and research of alternative energy resources which will

¹ Section 196-3, Chapter 196, Hawaii Revised Statutes.

² Section 196-4 (1), Chapter 196, Hawaii Revised Statutes

benefit the state³. Pursuant to its role as the energy resources coordinator, DBEDT has developed, initiated and manages a broad energy program⁴.

In 2006, the “Energy for Tomorrow” legislative package proposed a fundamental shift in the state’s energy policy framework. A state renewable hydrogen program and a renewable hydrogen capital fund was one of over twenty separate proposals contained in an integrated legislative package.

The intent of the renewable hydrogen program and the proposed hydrogen capital fund, addressed at each hearing before the House and Senate energy and finance committees in 2006, was to further the state’s interest in developing Hawaii renewable energy resources and in attracting additional sources of public and private capital to the state. “Renewable hydrogen” is generated from developed renewable energy technologies, unlike other technologies that generate hydrogen from fossil fuels. Development of a successful renewable hydrogen program is built on development of Hawaii’s renewable energy. This was a “no regrets” strategy: should a hydrogen economy never materialize, Hawaii would still have developed its renewable resources.

This objective was acknowledged by the legislative committees passing the measures into law as Act 240, SLH 2006.

The Senate Ways and Means Committee’s Stand. Com. Rep. No. 2808 on SB 2957 states “[Y]our Committee understands that the development and deployment of advanced hydrogen technologies and the use of biodiesel fuel will further assist the State in utilizing its renewable energy assets and attaining its energy self-sufficiency goals”.

The agreed-upon conference committee version of SB 2957, which became Act 240, states in Part I that

³ Section 196-4 (6), Chapter 196, Hawaii Revised Statutes

“[H]ydrogen technology development is already attracting billions of dollars in investment capital not only in the United States, but also in other countries in Europe, and Japan. On a national level, federal initiatives are resulting in the development of hydrogen and fuel cell technologies in partnership with automakers and major energy companies.”

SB 2957, enacted as Act 240, SLH 2006, was an omnibus energy bill that contained substantially all of the Energy for Tomorrow legislative proposals, including the Hawaii renewable hydrogen program and the hydrogen investment capital fund.

Section §196-10, HRS, contains the Hawaii renewable hydrogen program established within DBEDT’s energy program. The statute provides that DBEDT shall design, implement, and administer activities that include:

- Strategic partnerships for the research, development, testing, and deployment of renewable hydrogen technologies⁵
- Engineering and economic evaluations of Hawaii's potential for renewable hydrogen use and near-term project opportunities for the State's renewable energy resources⁶
- Hydrogen demonstration projects, including infrastructure for the production, storage, and refueling of hydrogen vehicles⁷
- Promotion of Hawaii's renewable hydrogen resources to potential partners and investors⁸

⁴ See Annual Energy Resources Coordinator Reports: www.hawaii.gov/dbedt/ert

⁵ Section §196-10 (1), Hawaii Revised Statutes

⁶ Section §196-10 (2), Hawaii Revised Statutes

- Certain activities and plans for the island of Hawaii⁹

Act 240, SLH 2006, also established the hydrogen investment capital fund in the Hawaii Strategic Development Corporation (HSDC). Section 211F-5.7, Hawaii Revised Statutes, provides that the money in the fund shall be used to:

- Provide seed capital for and venture capital investment in private sector and federal projects for research, development, testing and implementation of the Hawaii renewable hydrogen program¹⁰
- For any other purposes deemed necessary to carry out the purposes of the Hawaii renewable hydrogen program¹¹

Therefore, the hydrogen investment capital fund was intended to carry out the purposes of the broader Hawaii renewable hydrogen program. The renewable hydrogen program, in turn, is intended to achieve the broader state interests of greater renewable energy development and use in Hawaii.

Nothing has changed in terms of the state interest in developing the elements of the renewable hydrogen program as provided in Section §196-10, HRS. Indeed, what has changed is that the hydrogen fund is already working, fulfilling its purpose in drawing capital and interest and investment in helping to solve Hawaii's energy security and self-sufficiency challenges. The recent development and activity sparked by the adoption of the Energy for Tomorrow legislation two years ago have added to the importance of a renewable hydrogen program. The most recent manifestation of this high-level of activity is the Hawaii Clean Energy

⁷ Section §196-10 (4), Hawaii Revised Statutes

⁸ Section §196-10 (6), Hawaii Revised Statutes

⁹ Section §196-10 (3), (5), (7), (8), Hawaii Revised Statutes

¹⁰ Section 211F-5.7 (b)(1), Hawaii Revised Statutes

¹¹ Section 211F-5 (b)(2), Hawaii Revised Statutes

Initiative, an unprecedented partnership between the U.S. Department of Energy and the State of Hawaii, unprecedented for both Hawaii and the USDOE.

This partnership has as a goal Hawaii being 70% dependent on renewable energy by 2030. This partnership, which includes the federal Hydrogen, Fuel Cells and Infrastructure Technologies Program, will solicit, assess and make federal “cost share” grants contemplated by the hydrogen investment capital fund. This partnership will also meet the objectives of the Hawaii renewable hydrogen program.

Under these circumstances and with the significant progress made in Hawaii’s renewable energy sector, repeal of the hydrogen investment capital fund would be the wrong policy decision, send the wrong signal to the markets and hamper the achievement of the state’s interest in energy security and energy self-sufficiency. It would be a significant step backward.

The department understands the committee’s concern with the pending request for proposals for services relating to the Hawaii renewable hydrogen program and the hydrogen investment capital fund. Issues relating to that RFP are being worked-out. To repeal the fund, in our view, would be an unwarranted and extreme reaction to that concern.

We respectfully request that this measure be held.

**TESTIMONY PRESENTED BEFORE THE
SENATE COMMITTEE ON WAYS AND MEANS
BY
RICHARD ROCHELEAU & MITCH EWAN**

**Friday, February 15, 2008
9:30 a.m.
Conference Room 211
State Capitol
415 South Beretania Street**

SB 146 SD1 Relating to State Funds

Chairs Baker, Vice Chair Tsutsui, and Members of the Committee:

This testimony is submitted by Dr. Richard Rocheleau, the Director of the Hawaii Natural Energy Institute of the University of Hawai'i at Mānoa, and Mitch Ewan the Hydrogen Systems Program Manager. We are testifying today **in opposition** of SB 146 SD1 as individuals and not on behalf of the University.

The proposed legislation seeks to repeal the hydrogen investment capital special fund and lapse the balance of moneys into general funds upon repeal. This fund was intended to develop renewable energy derived hydrogen infrastructure initially on the Big Island and eventually statewide. Part of the strategy was to provide cost share for federally funded projects in the state. To date the US DOE has allocated \$1.2 million to support the development of hydrogen fueling infrastructure on the Big Island as part of the Hawaii Hydrogen Power Park project. This required a one-to-one cost share match and \$800,000 was allocated from the Hydrogen Fund. A further \$400,000 is required and was pending the selection of a Hydrogen Fund manager.

The fund is working. As a direct result of the above initiative, the National Park Service (NPS) has selected the Hawaii Volcanoes National Park (HAVO) as a demonstration site for 2 hydrogen-fueled Plug-in Hybrid Electric Vehicles with the potential for up to 3 more that would be supported by the Power Park hydrogen fueling system. The first 2 vehicles have recently been approved with a budget of \$989,000 and zero cost share requirement, thus leveraging the state's investment. The remaining 3 vehicles are on the short list for the NPS Centennial project with additional federal funding of \$900,000. We are very optimistic that these additional buses will be approved because the project has very high visibility within the NPS and the US DOE. HNEI has also teamed with the Bishop Museum and recently submitted a proposal for a hydrogen education program valued at \$2.7 million with minimal cost share. It is projected to reach over 300,000 students and visitors over its 3-year life. This project was predicated on highly leveraging the Hydrogen Power Park and HAVO shuttle bus system.

Based on the above, this initial investment from the state's hydrogen fund has the potential to leverage over \$5.7 million in federal funding to the state and is helping establish Hawaii as a renewable energy and hydrogen technology leader.

While hydrogen remains the ultimate goal, it is our hope that this fund can also help develop our indigenous renewable resources which will ultimately lead to hydrogen. We are concerned that repealing the hydrogen investment capital fund places these projects on the Big Island at risk. We therefore recommend that the existing renewable hydrogen fund remain in place.

Senate Ways and Means Committee

S. B. 146, S.D. 1

Feb. 15, 2008

Room 211, 9:30 a.m.

Senator Rosalyn H. Baker, Chairperson

Senator Shan. S. Tsutsui, Vice-Chairperson

Aloha Chairperson Baker and Vice-Chairperson Tsutsui,

Good Morning. My name is Michael Pfeffer and I am the Managing Partner of Kolohala Holdings.

Kolohala Holdings strongly opposes this measure and any other measure that would repeal the Hydrogen Investment Capital Special Fund (Hydrogen Fund).

We are the highest ranked, lowest cost bidder in the RFP process DBEDT solicited for management of this fund and should have been awarded the contract many months ago. We stand ready to manage the Hydrogen Fund and have been ready to do so since we first submitted a bid to manage the fund in April of 2007. We were the highest-ranked bidder in part because we proposed to multiply the investment from the State through this fund thirteen (13) TIMES, through co-investment from private Hawaii and mainland investors, as well as cost share from federal and private parties.

We are the most active Venture Fund investing in cleantech (hydrogen, renewable energy, green energy, etc.) companies in the state. As such, we see clearly the great opportunity that the Hydrogen Fund has to help transition the state from its overwhelming reliance on fossil fuels. We believe that repealing this bill will derail momentum building behind this process and could irreversibly harm efforts in both the public and private sectors to help guide Hawaii towards independence from fossil fuels.

As a bidder in the RFP for management of this Fund, we have spent tens of thousands of dollars and man-hours preparing to assist the state in managing this fund. To repeal this fund now, after we and the other bidders have, in good faith, spent considerable time and money would be unfair in the extreme. Furthermore, we believe that such a drastic step is completely unnecessary. Rather than repeal the Hydrogen Fund, we would urge you to require DBEDT to enforce the mandate put forth by the State Procurement Office on September 25, 2007 and award Kolohala Holdings the contract to manage the Hydrogen

Fund. We stand ready to begin implementing the fund immediately and look forward to the opportunity to do so.

As an example of our good faith and continued efforts, in the months that have passed since our proposal should by law have been selected for the award, we have raised and placed over \$6 million into four Hawai`i renewable energy companies. These investments attracted an additional \$20 million in co-investment from private parties both inside and outside the state. We are already meeting and exceeding the promises we made to the State in our proposal. We hope the State will meet its obligations to us, not by repealing 211F-5.7 or cancelling DBEDT procurement 07-11-SID, but by finding a way to move the process forward so that we can begin assisting the state in its efforts at energy independence.

We share much of the frustration regarding the lack of timely implementation of the Hydrogen Fund. However, we continue to believe that it is in the best interests of the state that the Hydrogen Fund be maintained, that it be awarded, and that we continue to assist the state in its goals of achieving energy independence. We urge you to not repeal the Hyrdogen Fund as we believe this would amount to "throwing the baby out with the bathwater". Rather, we urge you to consider enforcing the mandate proposed by the State Procurement Office to award our company the contract so that we can all move forward in support of the State's energy goals.

Aloha and Thank You for your consideration,



Michael Pfeffer

Managing Partner

Kolohala Holdings

DAVID C. BANGERT
PO Box 932, Hauula, Hawaii 96717
Phone (808) 293-2981

Thursday, February 14, 2008

Ladies and gentlemen:

I hereby submit the following testimony regarding SB146 SD1. The SENATE Ways and Means Committee is set to hear this bill on Friday, February 15, 2008 at 9:30 am in Senate Conference Room 211.

I would appreciate if you would make and deliver 1 copies of my testimony to Room 210 for this hearing. Thank you.

TO: THE SENATE WAYS AND MEANS COMMITTEE, Senator Rosalyn Baker, Chair (telefax - (808) 586-6659)

FROM: DAVID C. BANGERT

SUBJECT: Testimony relating to RELATING TO STATE FUNDS (SB146 SD1) - Strong Opposition To SB146 SD1, set to be heard on 2/15/2008 at 9:30 am in Conference Room 211

I strongly oppose the repeal of the Hydrogen Investment Capital Special Fund. This intent of this fund is to help build Hawaii companies capacity to develop renewable energy systems. As a professor of management at the Shidler College, I follow the national trends in alternative energy and federal spending intent closely. As is shown in the DOE's biomass program, Hawaii should invest in the hydrogen potential of biomass. Please see www1.eere.energy.gov/biomass/pdfs/biomass_program_mypp.pdf

Our marginal farm lands can produce 40 tons per year of tropical, native grasses. In the mid west, 10 tons per year can be grown, yet mid-western states on investing in grass to energy programs to include hydrogen based approaches. Wind, solar and wave may also be used to produce hydrogen, a more efficient means to store energy then batteries. For all these energy sources, Hawaii has an advantage over the mainland.

Several high-tech companies throughout the state (including on the neighbor islands) are hoping to compete for equity investment from this fund, which is the most appropriate source of financing for them at their stage of development.

I strongly urge this committee not to repeal the Hydrogen Fund as it will hurt Hawaii energy entrepreneurs and the State's ability to make progress toward energy independence.

Thank you very much for your consideration of my views and my testimony on this bill.

Respectfully submitted,

David C. Bangert
dbangert@hawaii.edu

LISHAN CHONG
Edutainment Resources, Inc.
1021 Smith Street, Suite 225, Honolulu, Hawaii 96817
Phone (808) 524-1505 Fax (808) 524-1367

Thursday, February 14, 2008

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TO: THE SENATE WAYS AND MEANS COMMITTEE, Senator Rosalyn Baker, Chair (telefax - (808) 586-6659)

FROM: LISHAN CHONG, EDUTAINMENT RESOURCES, INC.

SUBJECT: Testimony relating to RELATING TO STATE FUNDS (SB146 SD1) - Strong Opposition To SB146 SD1, set to be heard on 2/15/2008 at 9:30 am in Conference Room 211

I strongly oppose the repeal of the Hydrogen Investment Capital Special Fund. This intent of this fund is to help build Hawaii companies capacity to develop renewable energy systems.

From the point of view of the three bidders who competed for the contract, it is patently unfair to repeal this act after it has already been put out to bid and after bidders have spent tens of thousands of dollars competing to manage it.

Several high-tech companies throughout the state (including on the neighbor islands) are hoping to compete for equity investment from this fund, which is the most appropriate source of financing for them at their stage of development.

I strongly urge this committee not to repeal the Hydrogen Fund as it will hurt Hawaii energy entrepreneurs and the State's ability to make progress toward energy independence.

Thank you very much for your consideration of my views and my testimony on this bill.

Respectfully submitted,

Lishan Chong
Edutainment Resources, Inc.
lishan@clearwire.net

DR. SANFORD W. FRIEDMAN
Global Education Trust
3717 Old Pali Rd., Honolulu, Hawaii 96817
Phone (808) 595-8866

Thursday, February 14, 2008

Ladies and gentlemen:

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I would appreciate if you would make and deliver 1 copies of my testimony to Room 210 for this hearing. Thank you.

TO: THE SENATE WAYS AND MEANS COMMITTEE, Senator Rosalyn Baker, Chair (telefax - (808) 586-6659)

FROM: DR. SANFORD W. FRIEDMAN, GLOBAL EDUCATION TRUST

SUBJECT: Testimony relating to RELATING TO STATE FUNDS (SB146 SD1) - Strong Opposition To SB146 SD1, set to be heard on 2/15/2008 at 9:30 am in Conference Room 211

I strongly oppose the repeal of the Hydrogen Investment Capital Special Fund. This intent of this fund is to help build Hawaii companies capacity to develop renewable energy systems.

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I strongly urge this committee not to repeal the Hydrogen Fund as it will hurt Hawaii energy entrepreneurs and the State's ability to make progress toward energy independence.

Thank you very much for your consideration of my views and my testimony on this bill.

Respectfully submitted,

Dr. Sanford W. Friedman
Global Education Trust
friedman@lava.net

**ROY KOENIG
HARK, Inc.
1088 Bishop Street, Suite 303, Honolulu, Hawaii 96813
Phone (808) 533-1776 Fax (808) 533-1775**

Thursday, February 14, 2008

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I would appreciate if you would make and deliver 1 copies of my testimony to Room 210 for this hearing. Thank you.

TO: THE SENATE WAYS AND MEANS COMMITTEE, Senator Rosalyn Baker, Chair (telefax - (808) 586-6659)

FROM: ROY KOENIG, HARK, INC.

SUBJECT: Testimony relating to RELATING TO STATE FUNDS (SB146 SD1) - Strong Opposition To SB146 SD1, set to be heard on 2/15/2008 at 9:30 am in Conference Room 211

I strongly oppose the repeal of the Hydrogen Investment Capital Special Fund. This intent of this fund is to help build Hawaii companies capacity to develop renewable energy systems.

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Several high-tech companies throughout the state (including on the neighbor islands) are hoping to compete for equity investment from this fund, which is the most appropriate source of financing for them at their stage of development.

I strongly urge this committee not to repeal the Hydrogen Fund as it will hurt Hawaii energy entrepreneurs and the State's ability to make progress toward energy independence.

Thank you very much for your consideration of my views and my testimony on this bill.

Respectfully submitted,

**Roy Koenig
HARK, Inc.
roy@clmchk.com**

KEN SANDERS
Ocean Network, LLC
1132 Bishop St., Suite 501, Honolulu, Hawaii 96813
Phone (808) 256-7263 Fax (808) 263-7263 Cell (808) 263-7263

Thursday, February 14, 2008

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I would appreciate if you would make and deliver 1 copies of my testimony to Room 210 for this hearing. Thank you.

TO: THE SENATE WAYS AND MEANS COMMITTEE, Senator Rosalyn Baker, Chair (telefax - (808) 586-6659)

FROM: KEN SANDERS, OCEAN NETWORK, LLC

SUBJECT: Testimony relating to RELATING TO STATE FUNDS (SB146 SD1) - Strong Opposition To SB146 SD1, set to be heard on 2/15/2008 at 9:30 am in Conference Room 211

I strongly oppose the repeal of the Hydrogen Investment Capital Special Fund. This intent of this fund is to help build Hawaii companies capacity to develop renewable energy systems.

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I strongly urge this committee not to repeal the Hydrogen Fund as it will hurt Hawaii energy entrepreneurs and the State's ability to make progress toward energy independence.

Thank you very much for your consideration of my views and my testimony on this bill.

Respectfully submitted,

Ken Sanders
Ocean Network, LLC
kens@hawaii.rr.com

BILL SPENCER
Hawaii Venture Capital Association
805 Kainui Dr., Honolulu, Hawaii 96734
Phone (808) 262-7329 Fax (808) 263-4982

Thursday, February 14, 2008

Ladies and gentlemen:

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TO: THE SENATE WAYS AND MEANS COMMITTEE, Senator Rosalyn Baker, Chair (telefax - (808) 586-6659)

FROM: BILL SPENCER, HAWAII VENTURE CAPITAL ASSOCIATION

SUBJECT: Testimony relating to RELATING TO STATE FUNDS (SB146 SD1) - Strong Opposition To SB146 SD1, set to be heard on 2/15/2008 at 9:30 am in Conference Room 211

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I strongly urge this committee not to repeal the Hydrogen Fund as it will hurt Hawaii energy entrepreneurs and the State's ability to make progress toward energy independence.

Thank you very much for your consideration of my views and my testimony on this bill.

Respectfully submitted,

Bill Spencer
Hawaii Venture Capital Association
bspencer@hawaii.rr.com

ED WINTER
Technical Research Associates, Inc.
2800 Woodlawn Dr. , Suite 149, Honolulu, Hawaii 96822
Phone (808) 926-7179

Thursday, February 14, 2008

Ladies and gentlemen:

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TO: THE SENATE WAYS AND MEANS COMMITTEE, Senator Rosalyn Baker, Chair (telefax - (808) 586-6659)

FROM: ED WINTER, TECHNICAL RESEARCH ASSOCIATES, INC.

SUBJECT: Testimony relating to RELATING TO STATE FUNDS (SB146 SD1) - Strong Opposition To SB146 SD1, set to be heard on 2/15/2008 at 9:30 am in Conference Room 211

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Thank you very much for your consideration of my views and my testimony on this bill.

Respectfully submitted,

Ed Winter
Technical Research Associates, Inc.
edwinter@tracam.com

JOE COOPER
Archinoetics, LLC
700 Bishop, Suite 2000, Honolulu, Hawaii 96813
Phone (808) 741-1684 Fax (888) 279-0289

Thursday, February 14, 2008

Ladies and gentlemen:

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TO: THE SENATE WAYS AND MEANS COMMITTEE, Senator Rosalyn Baker, Chair (telefax - (808) 586-6659)

FROM: JOE COOPER, ARCHINOETICS, LLC

SUBJECT: Testimony relating to RELATING TO STATE FUNDS (SB146 SD1) - Strong Opposition To SB146 SD1, set to be heard on 2/15/2008 at 9:30 am in Conference Room 211

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I strongly urge this committee not to repeal the Hydrogen Fund as it will hurt Hawaii energy entrepreneurs and the State's ability to make progress toward energy independence.

Thank you very much for your consideration of my views and my testimony on this bill.

Respectfully submitted,

Joe Cooper
Archinoetics, LLC
joe@archinoetics.com

DAVID B. FISHER
P.O. Box 792138, Paia, Hawaii 96779
Phone (808) 572-2323

Thursday, February 14, 2008

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TO: THE SENATE WAYS AND MEANS COMMITTEE, Senator Rosalyn Baker, Chair (telefax - (808) 586-6659)

FROM: DAVID B. FISHER

SUBJECT: Testimony relating to RELATING TO STATE FUNDS (SB146 SD1) - Strong Opposition To SB146 SD1, set to be heard on 2/15/2008 at 9:30 am in Conference Room 211

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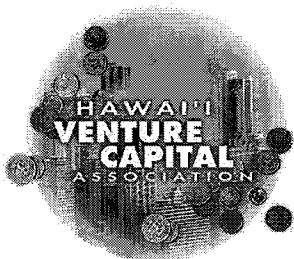
Thank you very much for your consideration of my views and my testimony on this bill.

Respectfully submitted,

David B. Fisher
dfisherhi@gmail.com

testimony

From: hvca.org [joelle@simonpietri.com]
Sent: Thursday, February 14, 2008 11:59 AM
To: windcon@hawaii.rr.com
Subject: RELATING TO STATE FUNDS (SB146 SD1)



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Re: RELATING TO STATE FUNDS (SB146 SD1)

JOELLE SIMONPIETRI
Simonpietri Enterprises
555 Hahaione St #11A, Honolulu, Hawaii 96825
Phone (808) 341-7984

Thursday, February 14, 2008

Ladies and gentlemen:

I hereby submit the following testimony regarding SB146 SD1. The SENATE Ways and Means Committee is set to hear this bill on Friday, February 15, 2008 at 9:30 am in Senate Conference Room 211.

I would appreciate if you would make and deliver 10 copies of my testimony to Room 210 for this hearing. Thank you.

TO: THE SENATE WAYS AND MEANS COMMITTEE, Senator Rosalyn Baker, Chair (telefax - (808) 586-6659)

FROM: JOELLE SIMONPIETRI, SIMONPIETRI ENTERPRISES

SUBJECT: Testimony relating to RELATING TO STATE FUNDS (SB146 SD1) - Strong Opposition To SB146 SD1, set to be heard on 2/15/2008 at 9:30 am in Conference Room 211

I strongly oppose the repeal of the Hydrogen Investment Capital Special Fund.

This Fund has already been put out to bid by the Department of Business, Economic

Development, and Tourism (DBEDT). If DBEDT had not violated state law in its original selection of the third-ranked bidder to manage the investment contract to manage this fund, and had followed the corrective actions set out by the State Procurement Office in a timely manner, then this fund would already be hard at work, helping small and promising Hawaii technology companies to develop their technology and help Hawaii realize its potential as both a source of renewable energy technology and a national leader in developing independence from fossil fuels.

Repealing the Hydrogen Fund and returning the money to the General Fund hurts small businesses and the State most, in multiple ways:

- 1) The small businesses that bid upon the DBEDT contract have already been damaged financially and professionally by endless delays and controversy over DBEDT's mishandling of the procurement.
- 2) The small businesses that should be receiving investment from the Fund will not get the benefit of the acceleration and professional management that 211F-5.7 and the DBEDT RFP originally envisioned.
- 3) The small businesses that would bid on this and other procurements will increasingly lose trust in the State's procurement system. Repealing 211F-5.7 effectively exonerates mismanagement and untimely action by DBEDT, setting a precedent where a Department can put something out to bid, make an illegal award, and then drag its feet for months afterwards avoiding corrective action until the Legislature steps in and makes the whole problem go away.

Thank you very much for your consideration of my views and my testimony on this bill.

Respectfully submitted,

Joelle Simonpietri
Simonpietri Enterprises
joelle@simonpietri.com

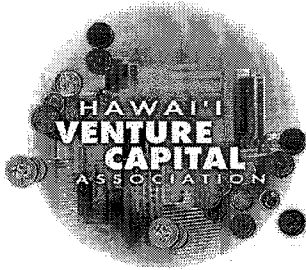
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testimony

From: hvca.org [aabaer@aol.com]
Sent: Thursday, February 14, 2008 12:44 PM
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Aloha Ladies and Gentlemen,

Please support the exploration of alternative energy sources for Hawaii. This is necessary for a smooth future for Hawaii and hydrogen has a vast energy potential.

Hydrogen can be produced from a variety of resources (water, fossil fuels, biomass). Unlike electricity, large quantities of hydrogen can be easily stored to be used in the future. For that reason, hydrogen can also be used in places where it's hard to use electricity.

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