



**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
SENATE COMMITTEE
ON
WAYS AND MEANS

Friday, February 22, 2008
11:00 a.m.
State Capitol, Conference Room 211

in consideration of
SB 2625,SD1
RELATING TO TRANSPORTATION.

Chair Baker, Vice Chair Tsutsui, and Members of the Committees.

The Department of Business, Economic Development, and Tourism (DBEDT) supports the intent of SB2625,SD1. There have been many good ideas introduced this legislative session that support the State's energy goals. We note, however, that this appropriation was not included in the Executive Supplemental Budget, and request that this appropriation not displace the priorities contained in that budget.

Last year, the Energy Policy Forum, with your support, brought together transportation and energy planners to look at the energy needs of Hawaii's transportation system, particularly ground transportation. This is an area which is important to our economy, residents, businesses, and visitors. With potentially significant changes occurring in the energy area, there is a need for energy planners and transportation planners to work together.

The proposed project could provide information useful in planning for the achievement of Hawaii's energy objectives, as outlined in HRS 226-18:

- “ (1) Dependable, efficient, and economical statewide energy systems capable of supporting the needs of the people;
- (2) Increased energy self-sufficiency where the ratio of indigenous to imported energy use is increased;
- (3) Greater energy security in the face of threats to Hawaii's energy supplies and systems; and
- (4) Reduction, avoidance, or sequestration of greenhouse gas emissions from energy supply and use.”

DBEDT has led, participated in, and commissioned several transportation energy strategy and fuel studies over the years, and looks forward to continuing to work with the University of Hawaii and the Energy Policy Forum in this important area.

Thank you for the opportunity to offer these comments.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

**Written Testimony Presented Before the
Senate Committee on Ways and Means
February 22, 2008 at 11:00 a.m.**

by

Virginia S. Hinshaw, Chancellor
and
Richard A. Dubanoski, Dean
College of Social Sciences
University of Hawai'i at Mānoa

SB 2625 SD1 – RELATING TO TRANSPORTATION

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

Thank you for the opportunity to testify today. Unfortunately, the University of Hawai'i at Mānoa can only support the intent of the bill at this time because of our pressing priorities, such as our tremendous need for repairs and maintenance and health and safety issues, which are critical to our ability to perform our core mission for the State of Hawai'i. We recognize you have many priorities and issues to weigh for the state. We are proud of the work of the Hawai'i Energy Policy Forum of the University of Hawai'i at Mānoa, and thank you for your support.

Thank you for the opportunity to testify, we appreciate all interest in the University, and want to emphasize that we will be able to perform better in all arenas and best serve the state with support of the current campus priorities approved by the Board of Regents.



COLLEGE OF SOCIAL SCIENCES

HAWAII ENERGY POLICY FORUM

UNIVERSITY OF HAWAII AT MĀNOA

Hawai'i Energy Policy Forum

Mr. Robbie Alm, HECO
Ms. Amy Asselbayer, Ofc of US Rep.
Neil Abercrombie
Ms. Catherine Awakuni, Div. of
Consumer Advocacy
Mr. Warren Bollmeier
Hi Renewable Energy Alliance
Mr. Carlito Caliboso, PUC (Observer)
Mr. Albert Chee, Chevron
Mr. Kyle Datta, U.S. Biofuels
Sen. Kalani English, HI State Senate
Mr. Mitch Ewan, UH HNEI
Mr. Carl Freedman
Haiku Design and Analysis
Mr. Mark Glick, OHA
Mr. Steve Golden, The Gas Company
Dr. Michael Hammett, RCUH
Ms. Paula Helfrich, EDAH
Mr. William Kaneko, HI Institute for
Public Affairs
Mr. Darren Kimura, Energy Industries
Holdings
Mr. Mike Kitamura, Ofc of US Sen.
Daniel K. Akaka
Mr. Kal Kobayashi, Maui County
Mr. Laurence Lau, DOH
Ms. Yvonne Lau, Ofc of US Rep.
Mazie Hirono
Mr. Allyn Lee, C&C of HNL
Mr. Aaron Leong, Ofc of US Senator
Daniel K. Inouye
Dr. Stephen Meder, AIA-Honolulu
Sen. Ron Menor, HI State Senate
Mr. Jeff Mikulina, Sierra Club
Dr. Bruce Miller, UH Ofc of
Sustainability
Dr. Sharon Miyashiro, Social
Sciences Public Policy Ctr.
Rep. Hermina Morita, HI State
House of Representatives
Mr. Tim O'Connell, USDA/Rural
Development
Mr. Richard Paglinawan
Pa Ku'i A Lua
Ms. Melissa Pavlicek, Western States
Petroleum Assn
Mr. Randy Perreira, HI State AFL-CIO
Mr. Rick Reed, Inter-Island
Solar Supply
Dr. Rick Rocheleau, UH HNEI
Mr. Peter Rosegg, HECO
Mr. Steven Rymsha, KIUC
Mr. Riley Saito, PowerLight Corp.
Mr. Glenn Sato, Kauai County OED
Mr. Bill Short, BIA of Hawaii
Mr. Ray Stirling, HI Energy Grp
Mr. Lance Tanaka, Tesoro HI Corp
Dr. Don Thomas, UH Center for the
Study of Active Volcanoes
Mr. Murray Towill, Hawai'i
Hotel Assn
Ms. Joan White, Hon Community
Action Program

Testimony of
Darren Kimura
Co-Chair – Energy Efficiency Working Group
Hawai'i Energy Policy Forum

Senate Committee on Ways and Means
Friday, February 22, 2008
11:00 a.m.
Conference Room 211

IN SUPPORT OF S.B. 2625, S.D. 1 – Relating to Transportation

I am Darren Kimura, Co-Chair of the Energy Efficiency Working Group of the Hawaii Energy Policy Forum ("Forum"). The Forum is comprised of 45 representatives from the electric utilities, oil and natural gas suppliers, environmental and community groups, renewable energy industry, and federal, state and local government, including representatives from the neighbor islands. We have been meeting since 2002 and have adopted a common vision and mission, and a comprehensive "10 Point Action Plan," which serves as a framework and guide for meeting our preferred energy vision and goals. The Forum supports the passage of SB 2625, SD 1 that achieves the goal of Point Seven to improve energy efficiencies and options in transportation.

SB 2625, SD 1 appropriates funds to the Forum to continue its work to develop energy efficient transportation strategies. The 2007 Legislature passed HB 869 entitled "Making an Appropriation for Energy Efficient Transportation Strategies". We thank this Committee for its strong support and assistance in the passage of this bill. HB 869 was enacted as Act 254. The Forum was tasked with conducting a study on energy efficient transportation strategies for the State of Hawaii. Requirements of the study included the following:

- (1) Developing tangible goals, objectives, desired outcomes, and actions to implement an energy-efficient transportation strategy;
- (2) Developing implementation benchmarks for measuring outcomes of energy-efficient transportation strategies; and
- (3) A cost-benefit analysis of each energy-efficient transportation strategy.

The Forum convened a steering committee to plan the scope of the work and identify the major stakeholders that should be participants in this challenging yet significant undertaking. Invited were representatives from business, labor, academia, and government, including state, county and Metropolitan Planning Organization transportation planners, state energy and Native Hawaiian agency officials, utility and petroleum company executives, and automobile dealer and manufacturer industry advocates. These members comprise the Energy Efficiency in Transportation Strategies Working Group ("Working Group").

After much discussion, the Working Group decided to initially focus on energy efficiency in ground transportation and developed the following consensual vision of “an energy efficient transportation system”:

“Hawaii’s energy efficient transportation integrates effective community input and planning (demand), and offers people of all ages and walks of life flexible options (supply) including mass transit, private and public vehicles and self-powered conveyance in alternative combinations that provide mobility at acceptable cost”.

With a short time frame and ambitious scope of work outlined in Act 254, the Working Group met monthly since its inception. During this period the Working Group established three goals on which the study would focus its efforts:

1. Increase choices for modes of travel. Multiple modes of travel permit greater public choice for efficient and flexible trip planning;
2. Increase fuel efficiency of vehicle population. Incentives to improve the fuel efficiency of Hawaii’s vehicle population will influence consumer behavior in favor of buying and using more efficient vehicles; and
3. Diversify energy sources available to meet transportation energy needs. Greater diversity of energy sources provides additional flexibility in meeting the energy needs of the transportation sector.

One of the major findings of the Working Group is that there is a lack of data upon which to establish goals and to track progress in meeting those goals. The Working Group determined that additional data are required before transportation energy efficiency benchmarks and goals for the State can be set.

Due in large measure to the enthusiasm and commitment of its diverse members, the Working Group is unified in its dedication to develop a comprehensive energy-efficient transportation strategy for the state. The Working Group has estimated that an appropriation in the amount of \$175,000 would be used as follows: (1) to determine data available among government and business sources; (2) identify gaps in critical data; and (3) develop and test models leading to the establishment of a reasonable and workable plan for a statewide transportation energy information and monitoring system.

Based on the foregoing, the Forum as a whole¹ fully supports SB 2625, SD 1 and urges its passage by the Committee.

¹ This testimony reflects the position of the Forum as a whole, which deliberated upon and reached consensus; but it may not necessarily reflect the position of individual Forum members nor their companies or organizations.

Testimony before the Senate Committee on Ways and Means

S.B. 2625 S.D. 1 Making an Appropriation for a Study on
Energy Efficient Transportation Strategies

Friday, February 22
11 a.m. State Capitol Room Room 211

By William A. Bonnet
Vice President
Government & Community Affairs
Hawaiian Electric Company, Inc.

Chair Baker, Vice Chair Tsutsui and members:

My name is Bill Bonnet and I am testifying on behalf of Hawaiian Electric Company, Inc., and its subsidiary utilities, Maui Electric Company, Ltd., and Hawaii Electric Light Company, Inc.

Hawaiian Electric Company supports Senate Bill No. 2625 SD 1, as amended in line with suggestions from the Hawaii Energy Policy Forum, which would make an appropriation to collect and analyze data and to develop a plan for statewide transportation energy information and monitoring system.

Hawaii imports fossil fuels to meet over 90 percent of its energy needs, including about one third for air transportation, one third for ground transportation and one third for electric power generation. The electricity sector is working to meet a renewable portfolio standard established by the Legislature, with the goal of reducing Hawaii's dependence on imported fossil fuel, primarily oil, and limiting Hawaii's contribution to global climate change. If Hawaii is to succeed in reducing dependence on imported fossil fuel for electricity, we must also reduce our dependence on oil for ground transportation. No single strategy, but a combination of methods, will achieve this goal.

Last year, the Legislature made an appropriation for the Hawaii Energy Policy Forum to begin a study on energy efficient transportation strategies. The Forum formed a working group, developed a vision and

began the process you made possible. This measure proposes to continue that work.

Hawaiian Electric also supports the Forum's recommendation that funds be appropriated in the amount of \$175,000 to allow this important work to go forward.

Thank you for the opportunity to testify.

GOODSILL ANDERSON QUINN & STIFEL

A LIMITED LIABILITY LAW PARTNERSHIP LLP

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February 20, 2008

TO: Senator Rosalyn H. Baker
Chair, Committee on Ways and Means

Via E-mail: testimony@capitol.hawaii.gov

FROM: Gary M. Slovin, Esq.

RE: **S.B. 2625, SD1 – Relating to Transportation**
Hearing Date: Friday, February 22, 2008 at 11:00 am

Dear Chair Baker and Members of the Committee on Ways and Means:

I am Gary Slovin testifying on behalf of the Alliance of Automobile Manufacturers in support of S.B. 2625, SD1. The Alliance is a member of the Energy Efficient Transportation Working Group.

Thank you very much for this opportunity to submit testimony.