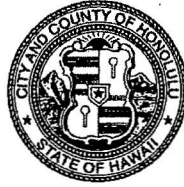


DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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MUFI HANNEMANN
MAYOR



HENRY ENG, FAICP
DIRECTOR

DAVID K. TANOUE
DEPUTY DIRECTOR

March 18, 2008

The Honorable Hermina M. Morita, Chair
and Members of the Committee on Energy
and Environmental Protection
House of Representatives
State Capitol
Honolulu, Hawaii 96813

Dear Chair Morita and Members:

**Subject: SENATE BILL 2849 SD1
Relating to Agricultural Lands**

The Department of Planning and Permitting has **comments** on Senate Bill 2849 SD1, which allows agricultural-energy facilities on lands in the state agricultural district.

We support increased energy efficiency and use of renewable energy resources. We have no objections to allowing facilities that generate, store or distribute renewable energy or fuel as an accessory use to agriculture.

However, there appears to be a bill-drafting issue in that the bill addresses an accessory use as if it were a principal use. The bill stipulates that 90 percent of the agricultural-energy enterprise must be involved in agriculture; which means the principal use is agriculture, with an accessory component being agricultural-energy processing.

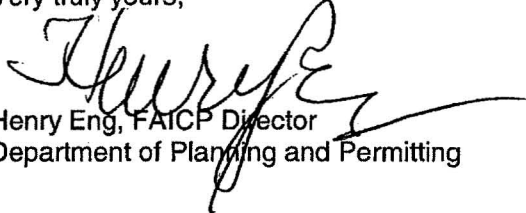
And yet, recognizing that the ten percent of land devoted to agricultural-energy facilities can involve significant buffering, visual, safety and odor issues, outright allowance may not be appropriate, especially if residences are located nearby.

Therefore, consideration should be given to amending Senate Bill 2849 SD1 to allow agricultural-energy facilities as an accessory use under the special permit process to allow for discretionary review.

The Honorable Hermina M. Morita, Chair
and Members of the Committee on Energy
and Environmental Protection
House of Representatives
Re: Senate Bill 2849 SD1
March 18, 2008
Page 2

Thank you for this opportunity to comment.

Very truly yours,



Henry Eng, FAICP Director
Department of Planning and Permitting

HE: jmf
sb2849sd1-kh.doc

**Testimony before the
House Committee on

Energy and Environmental Protection**

S.B. 2849 SD1– Relating to Agricultural Lands

**Tuesday, March 18, 2008
9:00 am, Conference Room 312**

**By Arthur Seki
Director of Technology
Hawaiian Electric Company, Inc.**

Chair Morita, Vice Chair Carroll, and Members of the Committee:

My name is Arthur Seki – I am the Director of Technology in the Energy Solutions & Technology Department at Hawaiian Electric Company. I am testifying on behalf of Hawaiian Electric Company (HECO) and its subsidiary utilities, Maui Electric Company (MECO) and Hawaii Electric Light Company (HELCO), hereby referred to collectively as the HECO Utilities.

We support S.B. 2849 SD1 that permits the use of lands in agricultural land use districts to be used for agricultural-energy facilities.

As you may know, HECO Utilities are committed to exploring and using biofuels in its existing and planned generating units. The use of biofuels can reduce the State's dependence on imported oil and increase the amount of renewable energy from sustainable resources. This commitment by the HECO Utilities is demonstrated by the following initiatives:

- HECO's next power plant (100 MW) on Oahu (located at Campbell Industrial Park) will be 100% biofueled;
- MECO tested biodiesel in its diesel engines and combustion turbine at Maalaea power plant and will conduct further tests;

- HECO and MECO are partnering with BlueEarth Biofuels to build a 40 million gallon per year biodiesel production plant on Maui;
- HECO is providing seed funding to the Hawaii Agriculture Research Center (HARC) and the agriculture departments at the University of Hawaii's Manoa and Hilo campuses to conduct biofuel crop research; and
- HECO is examining micro-algae biofuel development that could use carbon dioxide from our power plant stacks.

In conclusion, HECO Utilities support S.B. 2849 SD1 as a way to stimulate the development of locally produced biofuels.

Thank you for the opportunity to present this testimony.



Hawaii Agriculture Research Center

99-193 Aiea Heights Drive, Suite 300

Aiea, Hawaii 96701

Ph: 808-487-5561/Fax: 808-486-5020

TESTIMONY BEFORE THE HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

SENATE BILL 2849 SD1

Relating to Agricultural Lands

March 18, 2008

Chair Morita and Members of the Committee:

My name is Stephanie Whalen. I am President and Research Director of the Hawaii Agriculture Research Center (HARC). I am testifying today on behalf of the center, our research and support staff, and our members and clients.

HARC strongly supports Senate Bill 2849 SD1 Relating to Agricultural Lands and suggests an amendment for consideration.

A significant opportunity has been provided to HARC regarding the Del Monte village which includes *agricultural worker rental housing* and agribusiness facilities in the state's agricultural district regarding plantation subdivisions, **is limited to employees or former employees with a property interest in the land**. There is a concern that the current language may not allow the continued use of this land for agricultural worker rental housing and agricultural business support services.

The Senate Committee on Agriculture and Hawaiian Affairs agreed to amend the original version of SB 2849 to ensure that the future use of the Del Monte village would meet the state's land use law. Under Del Monte housing in this village was used for agricultural rental housing and that is the intent of its future use. Its industrial area was used for services needed to support agriculture and that is the intent of its future use. The county is willing to consider a variance for existing uses since without a single agricultural activity, such as pineapple, the village will not conform to the current county rules. They are supportive of maintaining rental agricultural housing to preserve this much needed function. HARC wants to 'ensure' that there is no question as to

SB2849 SD1, March 18, 2008

HARC

whether the intended use of this village will conform to allowable uses in a state agricultural district.

HARC also offers a suggestion that might be considered by this committee. Since the companion bill HB2503 passed to the senate essentially unchanged and has been referred to only the Committee on Agriculture and Hawaiian Affairs, that this bill, SB2849 SD1, be amended to remove the references to solar systems on agricultural land and leave only the amended portion in SD1 of 205-2.5 (12). That would result in two proposed measures each with a specific subject matter:

HB2503 which allows solar systems on agricultural land where agricultural activity is the primary use of the land, and

SB2849 which provides for agricultural rental housing and the agribusiness support activities in former plantation community subdivisions.

Thank you for your consideration of these important agricultural matters.

PACIFIC WEST ENERGY LLC
1 KAUMAKANI AVENUE
PO Box 220
KAUMAKANI, KAUAI, HI 96747

March 17, 2008

The Honorable Hermina Morita, Chair and
The Honorable Mele Carroll, Vice-Chair and Members of the
Committee on Energy & Environmental Protection

RE: SB 2849, SD1 Relating to Agricultural Lands

Chairperson Morita, Vice-Chair Carroll, and members of your committee, my name is William Maloney and I am President and Chief Executive Officer of Pacific West Energy, LLC. Pacific West Energy, a developer of renewable energy projects, in partnership with Gay and Robinson, Inc., has formed G&R Ag-Energy and is developing an integrated, renewable energy facility on Kauai, featuring the state's first ethanol plant.

G&R Ag-Energy supports HB 2849's intent to balance the interests of agriculture and energy production on agriculturally designated lands. This bill seeks to provide an incentive for owners of agricultural land to examine uses for agricultural lands that will provide needed revenues to enhance the production of agricultural crops for market or further energy production or both.

G&R Ag-Energy believes that this bill will assist in our ability to enhance our sugar operations and ethanol production for further business stabilization. This will also enhance the Island of Kauai's renewable energy production thru the use of local feedstocks, thus lowering the islands dependence on imported oil.

We do understand that the bill, in its present form, may inadvertently exclude other similar but non-qualifying agriculture-based renewable energy concepts from consideration as permissible uses, however, we believe that the key element of this concept is "a renewable energy facility that is integrated with an agricultural activity." We believe that this paramount in maintaining a "balance" between crop and energy production on agricultural lands.

We welcome the opportunity to work with this Committee or others in an effort to fully develop and enhance agriculture in Hawaii.

Thank you for this opportunity to support SB 2849, SD1.

Sincerely,

William M. Maloney
President
Pacific West Energy LLC