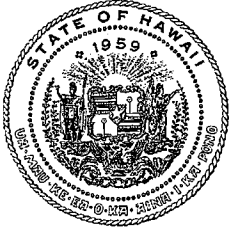


SCR 82



**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
ENERGY AND ENVIRONMENT**

Tuesday, April 1, 2008

2:45 PM

State Capitol, Conference Room 414

in consideration of

SCR82

**REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT,
AND TOURISM TO STUDY THE FEASIBILITY OF AND NEED FOR THE
ESTABLISHMENT OF A GREEN ENERGY COORDINATOR OFFICE.**

Chair Menor, Vice Chair Hooser, and Members of the Committee.

While the Department of Business, Economic Development, and Tourism (DBEDT) supports the general intent of the resolution, we respectfully suggest that such action at this time may be premature as we proceed with the Hawaii Clean Energy Initiative (HCEI).

Implementation of Hawaii Clean Energy Initiative (HCEI) will have many impacts and outcomes, as yet unforeseen. We recommend, therefore, that we let the HCEI go forward before any structural or organizational changes are made. HCEI may well clarify what and how a new structure/organizational change should develop to most advantageously support the transition to energy sustainability. The outcome of HCEI will determine the long-term energy structure.

In addition, conducting a study will demand DBEDT staff time and resources. We have limited staff and resources which must focus on implementation of the HCEI while still

supporting existing federal grant programs such as the State Energy Program (SEP) and the Special Projects grants which support the SEP.

The HCEI is major effort which will mightily tax our existing staff and resources, but is essential to collaborate and guide the process of penetrating an oil based economy with 70% renewable energy and accelerating the asset turnover necessary so that it is achieved within a generation.

Moving the HCEI forward will involve the development and support of five Working Groups composed of local, private, State, and federal experts in the areas of 1) Transportation & Fuels, 2) Electricity Generation, 3) Energy Delivery & Transmission 4) End Use Efficiency, and 5) an Integration Committee because we are really talking about a new network of assets and cash flows, together with regulation and policy, necessary to make it all happen.

There will also be Partnership Projects with local and US partners designed to demonstrate and commercialize new technologies and relieve technical barriers. New projects will be brought in with input from the Working Groups as they identify major barriers to penetration, acceleration, investment and stability.

The U.S. Department of Energy, the National Laboratories, and other Federal Departments such as Department of Defense and U.S. Department of Agriculture, along with Hawaii State and local officials and many private parties and investors, are and will be involved to participate in this initiative.

Therefore, we respectfully request that this resolution be held until such times as our efforts under the HCEI can clarify future organizational requirements.

Thank you for the opportunity to offer these comments.

HAWAI'I

BioEnergy



March 28, 2008

Testimony before the Hawaii State Legislature on SCR82
Honolulu, Hawaii

My name is Brian Orlopp and I represent Hawai'i BioEnergy, LLC.

Thank you for the opportunity to share our position on SCR82 with the Hawaii State Legislature. As residents of Hawaii and members of the business community, we are deeply concerned with the issues of climate change and energy security and believe that our state can and should become a green energy leader. This senate concurrent resolution will make a significant contribution to reaching that goal.

Green energy represents an opportunity to reduce our heavy dependence on imported oil, to address our unique exposure to the risks of climate change, to revive our agriculture sector and preserve our green space, to create new and better jobs, and to become a leader in tropical bio-energy and an incubator of next-generation technologies. Hawaii has the natural, human, technological and capital resources to achieve green energy leadership.

Our state has already demonstrated its commitment to the development of green energy with its 20% renewable energy target and E10 mandate, but to achieve these goals through local production we need to establish legal, regulatory and political environments which fosters our state's capacity to grow and lead in green energy.

Hawaii has the special opportunity of developing technologies and processes that can be employed productively in our state to achieve security and climate change goals, and be applied to tropical environments around the world that are ideal for green energy production. We believe that this leadership is not only possible, but necessary for our sustainable future. SCR82 will facilitate a robust program to facilitate and promote our state's unique renewable energy resources. Mainland states are creating similar dedicated departments and agencies to transform and assist private sector initiatives for energy solutions.

Again, we are grateful for the opportunity to voice our support for SCR82 and look forward to contributing to the development of green energy leadership in Hawaii.

Hawai'i BioEnergy, LLC