

HB 1271

WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
HOUSE BILL NO. 1271, H.D. 3, S.D. 1

April 2, 2009

RELATING TO GOVERNMENT

House Bill No. 1271, H. D. 3, S.D. 1, establishes the Hawaii Economic Development Task Force within the Department of Business, Economic Development and Tourism to facilitate the accelerated adoption and completion of renewable energy projects, energy efficiency programs, agricultural infrastructure and development, and other measures to address Hawaii's energy and food security needs.

In addition, House Bill No. 1271, H.D. 3, S.D. 1, also establishes the Food Security special fund to receive funds from the environmental response and energy and food security tax as provided by Section 243-3.5 of the Hawaii Revised Statutes, legislative appropriations, earned interest, and funds from other sources. The special fund would be used to pay for expenses incurred to develop and implement activities to achieve food independence for the State.

We oppose this bill. As a matter of general policy, this department does not support the creation of any special fund that does not meet the requirements of Section 37-52.3, Hawaii Revised Statutes. Special funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. It is difficult to determine whether the sources of funding for Food Security special fund reflect a clear nexus and whether the special fund will be self-sustaining.



EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

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

Before the
SENATE COMMITTEE ON WAYS AND MEANS
Thursday, April 2, 2009, 9:30 a.m.
Room 211, State Capitol

HB 1271 HD3 SD1 RELATING TO GOVERNMENT

Chair Mercado Kim, Vice Chair Tsutsui, and Members of the Committee:

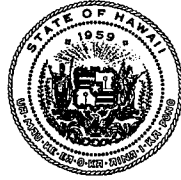
The Administration strongly opposes HB 1271 HD3 SD1. This bill renames the Environmental Response Tax, and raises it from 5 cents to an unspecified amount in order to fund the Hawaii Economic Develop Task Force and its activities. This bill also repeals the June 30, 2009 sunset date of the general excise tax exemption on income from sales of alcohol fuel.

Due to the State's current economic situation, the Administration opposes any measure that increases the cost of living for Hawaii residents. Given that this measure increases the barrel tax, which is charged on each barrel of imported oil, both residents and businesses will be greatly impacted. To the extent that Hawaii's businesses are using electricity and fuel produced from oil, the end result is higher cost on all products produced, transported and sold. Although this bill extends the GET exemption for alcohol fuel, cost increases resulting from the barrel tax will not be alleviated in anyway by an exemption that is already in place. As such, we must oppose this tax increase.

Additionally, while the Administration believes food and energy self-sufficiency are topics of great importance, we do not believe a task force is necessary to accomplish these goals. The Administration believes that immediate action is needed to reduce our reliance on imported products. Rather than establishing a task force to study the issue, consideration should be given to bills currently in the legislative process that provide incentives for local food production and renewable energy generation.

For the above reasons, the Administration respectfully requests that this bill be held.

LINDA LINGLE
GOVERNOR OF HAWAII



CHIYOME LEINAALA FUKINO, M.D.
DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
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In reply, please refer to:
File:

COMMITTEE ON WAYS AND MEANS

HB1271, HD3, SD1, Relating to Government

**Testimony of Chiyome Leinaala Fukino, M.D.
Director of Health**

**April 2, 2009
9:30 A.M.**

1 **Department's Position:** The Department of Health respectfully opposes this bill because it represents a
2 tax increase that would increase the cost of living for Hawaii residents.

3 **Fiscal Implications:** This measure proposes to raise the existing Environmental Response Revolving
4 Fund (ERRF) tax of 5 cents per barrel or fractional part of a barrel petroleum product to an unspecified
5 amount, and to allocate the new tax among the following special funds at undetermined amounts; ERRF,
6 energy security special fund, energy systems development special fund, food security special fund, and
7 the general fund. The bill does not define the tax per barrel to support any of the four funds, and
8 therefore, the fiscal implications are uncertain.

9 **Purpose and Justification:** The Department uses the ERRF to respond to and cleanup hazardous
10 materials releases to the environment which may also affect public health. Should the measure
11 eventually reduce the existing 5 cents per barrel tax rate allocated to the ERRF, the Department may not
12 have adequate financial resources to carry out its statutorily mandated functions, including the ability to
13 respond to oil spills and hazardous substance releases.

14 We defer to the Department of Taxation on fiscal impact of this measure.

15 Thank you for the opportunity to testify in this important measure.

TAXBILLSERVICE

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TAX FOUNDATION OF HAWAII

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SUBJECT: FUEL, Environmental response, energy and food security tax

BILL NUMBER: HB 1271, SD-1

INTRODUCED BY: Senate Committees on Water, Land, Agriculture, and Hawaiian Affairs and Energy and Environment and Economic Development and Technology

BRIEF SUMMARY: Amends HRS section 243-3.5 to rename the environmental response tax the environmental response, energy and food security tax. Increases the rate of tax from 5 cents per barrel to \$___ on each barrel and provides that ___ cents of the tax shall be deposited into the environmental response revolving fund (HRS section 128D-2); ___ cents shall be deposited into the energy security special fund (HRS section 201-12.8); ___ cents shall be deposited into the energy systems development special fund (HRS section 304A-2169); ___ cents shall be deposited into the proposed food security special fund; and ___ cents shall be deposited into the general fund.

Adds a new section to HRS chapter 141 to establish a food security special fund which shall be used for: (1) the awarding of grants to farmers for agricultural production or processing activity; (2) the acquisition of real property for agricultural production or processing activity; (3) the improvement of real property, irrigation systems, and transportation networks necessary to promote agricultural production or processing activity; (4) the purchase of equipment necessary for agricultural production or processing activity; (5) the conduct of research on and testing of agricultural products and markets; (6) the promotion and marketing of agricultural products grown or raised in the state; and (7) any other activity intended to increase agricultural production or processing that may lead to reduced importation of food, fodder, or feed from outside the state.

Establishes the Hawaii economic development task force within the department of business, economic development and tourism (DBEDT) whose purpose is to facilitate the accelerated adoption and completion of renewable energy projects, energy efficiency programs, agricultural infrastructure and development. The task force shall consist of: (1) the director of DBEDT or designee; (2) the chairperson of the board of agriculture or designee; (3) the director of the office of planning or designee; (4) the chairperson of the board of land and natural resources or designee; (5) the dean of the UH college of tropical agriculture and human resources or designee; (6) the speaker of the house of representatives or designee; (7) the president of the senate or designee; and (8) a representative from each county's economic development board. Requires the task force to submit a report of its findings, recommendations, and proposed legislation to the 2010 legislature. The task force also shall submit a follow-up report to the 2011 legislature which shall include a description of the activities funded by the environmental response, energy, and food security tax, progress made toward energy and food self-sufficiency, and additional action necessary to achieve energy and food self-sufficiency. The Hawaii economic development task force shall cease to exist on June 30, 2011.

Appropriates \$_____ in general funds in fiscal 2010 and the same amount in fiscal 2011 to support the work of the Hawaii economic development task force. Stipulates that the appropriation shall be made

from the portion of the environmental response, energy and food security tax that is deposited into the general fund.

Amends Act 209, SLH 2007, to make the general excise tax exemption for alcohol fuels permanent by deleting the June 30, 2009 sunset provision.

Makes conforming amendments to HRS section 128D-2 and deletes the \$20 million limitation on the funds that may be deposited into the environmental response revolving fund.

EFFECTIVE DATE: July 1, 2020

STAFF COMMENTS: This measure proposes to rename the environmental response tax the environmental response, energy and food security tax and increase the tax from 5 cents to \$___ per barrel. The legislature by Act 300, SLH 1993, enacted an environmental response tax of 5 cents per barrel on petroleum products sold by a distributor to any retail dealer or end user. This measure proposes to increase the tax to \$___ and provides that ___ cents of the tax shall be deposited into the environmental response revolving fund; ___ cents shall be deposited into the energy security special fund; ___ cents shall be deposited into the energy systems development special fund; ___ cents shall be deposited into the proposed food security special fund; and ___ cents shall be deposited into the general fund.

It should be remembered that the environmental response tax was initially adopted for the purpose of setting up a reserve should an oil spill occur on the ocean waters that would affect Hawaii's shoreline. The nexus was between the oil importers and the possibility that a spill might occur as the oil product was being imported into the state. Now that the fund has become a cash cow, lawmakers have placed other responsibilities on the fund, including environmental protection and natural resource protection programs, such as energy conservation and alternative energy development, to address concerns related to air quality, global warming, clean water, polluted runoff, solid and hazardous waste, drinking water, and underground storage tanks, including support for the underground storage tank program of the department of health.

It should be noted that the enactment of the barrel tax for the environmental response revolving fund is the classic effort of getting one's foot in the door with a palatable and acceptable tax rate with the possibility of increasing the tax rate once it is enacted which is being proposed by this measure. Because the tax is imposed at the front end of the product chain, the final consumer does not know that the higher cost of the product is due to the tax. Thus, there is little, if any, accountability between the lawmakers who enacted the tax and the vast majority of the public that ends up paying the tax albeit indirectly. Proponents ought to be ashamed that they are promoting a less than transparent tax increase in the burden on families all in the name of environmental protection and food security. This proposal is nothing more than another bureaucratic boondoggle that merely expands the size of government at the expense of working families and small businesses struggling to survive in this economy and trying to make ends meet. While the proposed measure also establishes a Hawaii economic development task force for the stated purposes, it is questionable why these goals are not addressed by the "qualified experts" of DBEDT.

It should be remembered that the State Auditor has singled out the environmental response revolving fund as not meeting the criteria established and recommended that it be repealed. The Auditor criticized

the use of such funds as they hide various sums of money from policymakers as they are not available for any other use and tend to be tacitly acknowledged in the budget process. More importantly, it should be recognized that it is not only the users of petroleum products who benefit from a cleaner environment, but it is the public who benefits. If this point can be accepted, then the public, as a whole, should be asked to pay for the clean up and preservation of the environment.

Funds deposited into a revolving fund are not subject to close scrutiny as an assumption is made that such funds are self-sustaining. It should be remembered that earmarking of funds for a specific program represents poor public finance policy as it is difficult to determine the adequacy of the revenue source for the purposes of the program. To the extent that earmarking carves out revenues before policymakers can evaluate the appropriateness of the amount earmarked and spent, it removes the accountability for those funds. There is no reason why such a program should not compete for general funds like all other programs which benefit the community as a whole. And while the legislation describes various activities for which the funds in the new special fund can be expended, it is the newly establish economic development task force that will specify the types of programs that will benefit from the fund.

Rather than perpetuating the problems of the barrel tax, it should be repealed and all programs that are funded out of the environmental response fund should be funded through the general fund. At least program managers would then have to justify their need for these funds. By continuing to special fund these programs, it makes a statement that such environmental programs are not a high priority for state government. This sort of proliferation of public programs needs to be checked as it appears to be growing out of hand and at the expense of the taxpayer.

If it is a matter that no funds in this fiscal environment have been set aside to address federal environmental mandates, then consideration should be given to first prioritizing how the money that is already in the fund is to be spent and then to set a sunset deadline by which these programs are to be general fund financed and the tax repealed. The measure also seems to imply that the funds in the new special fund will be used to leverage federal funds through grants and other appropriations. If that is the case, the legislature already has the ability to appropriate state funds to be used as matching funds for federal aid and grants.

Lawmakers should not only be concerned about the impact that the increase in the barrel tax will have on motor fuel, but on the cost of living in general. Because this is a tax at the front end of the consumer chain, it will be imbedded in everything that is consumed in the state. And because it is at the front end, it will tend to pyramid the cost of goods and services as each business in the chain adds his or her mark-up to an increased base price. Thus, now is hardly a time to add such a tax that will cause prices to rise at the retail level because its imposition is at the raw product level.

Given that this proposal amounts to a tax increase, can its sponsors hold their heads high when they return to their constituents and tell them that while their colleagues rant and rave about the collusive petroleum industry ripping off motorists at the pump that they themselves contribute to not only the high cost of gasoline but also the high cost of electricity to light our homes to the pricey take-out lunch because the cost of that energy will increase even more with this proposal. While lawmakers would like to preen their feathers that they are oh-so eco friendly and environmentally concerned, they do so at a cost to the taxpayer. While tax increases are unacceptable in these difficult times, this proposal is especially reprehensible as it hides behind the skirt of being environmentally concerned and it hides behind the shadow of businesses that will end up with the blame of ripping off the consumer yet again

Proponents of this measure point out this measure will help Hawaii become more energy self-sufficient and stop sending more and more money out of the state because Hawaii is so dependent on fossil fuels. On the other hand, they also point to the fact that the U.S. Department of Energy has designated Hawaii as the number one state for the potential of shifting its energy resources to renewable. If that is the case, then there should be federal funds available to build the necessary infrastructure for renewable energy sources. While making the shift to renewable energy sources, as well as providing support for sustainable agriculture in the state is nice to have, it would come at a terrible price especially in the current economy. Not only does this measure represent a major tax increase at a bad economic time, it also creates another huge public bureaucracy riddled with a plethora of new programs. Given the current struggle over the state's budget, this is not a time to expand government. If advocates of this measure want to adopt this new public bureaucracy, then they should be asked what the state can do without from its current panoply of programs and services.

Digested 3/31/09



SENATE COMMITTEE ON WAYS AND MEANS

April 2, 2009, 2:45 P.M.

Room 211

(Testimony is 8 pages long)

TESTIMONY IN STRONG SUPPORT OF HB 1271 HD3 SD1, SUGGESTED AMENDMENTS

Chair Kim and members of the committee:

The Blue Planet Foundation strongly supports House Bill 1271 HD3 SD1, providing for funding of food and energy security through a surcharge on each barrel of oil imported into Hawai'i. We believe, however, that the best use of the proposed "environmental response and energy and food security" surcharge on oil should be used to accelerate Hawaii's transition to energy independence. Blue Planet proposes the following amendments to HB 1271 HD3 SD1:

- Increase the oil surcharge to \$5 per barrel (yielding over \$200 million annually); and
- Apply the majority of the funding raised through the surcharge to a "Clean Energy Investment Fund" that is used to:
 1. Vastly increase the capacity of the **existing energy efficiency** Public Benefit Funds Administrator (regulated by the Public Utilities Commission), including increasing and adding efficiency incentives such as appliance buy-back programs, free home energy audits, solar water heater and compact fluorescent / LED rebates, and other efficiency programs (~\$40 million);
 2. Provide funding to **monetize the existing state renewable energy tax credits** (i.e. allow investors to tax certain tax credits as direct refunds, administered by DOTAX) (~\$50 million);
 3. Significantly **invest in smart grid infrastructure** and energy storage, administered by PUC (cost share with electric utilities) (~\$80 million);
 4. Fund the work of the **public utilities commission to expedite** the resolution of the many energy dockets currently pending (~\$5 million);
 5. Offer **incentives for electric vehicle** purchasers and for those installing public charge spots, administered by DBEDT, DOTAX (~\$10 million);

6. Fund the **activities of the energy office** and greenhouse gas emissions reduction task force, DBEDT, DOH (\$2 million);
7. Provide **research and development** prize money for breakthroughs in commercializing clean, safe, indigenous, and renewable transportation fuels, particularly for jet fuel purposes, administered by UH (\$10 million);
8. Provide **funding for other critical projects**—including management and oversight of federal stimulus dollars for energy projects—to create Hawaii’s preferred energy future, administered by UH or DBEDT (\$10 million); and
9. Provide **funding for the “climate change resilience and adaptation special fund”** as described in amendments provided by the Nature Conservancy of Hawaii (\$10 million).

Attached are specific amendments to HB 1271 SD1 that would enable the barrel surcharge funds to be used for existing energy efficiency programs administered by the public utilities commission and implemented by the Public Benefit Funds Administrator. This approach would be the most effective and straightforward means to ensure that barrel surcharge funds are used in a manner that drives down the cost of living for Hawai'i residents and accelerates our transition away from imported oil. **The Public Benefit Funds Administrator by law must spend 90% of the funds on programs and incentives and can only spend 10% on administration and overhead. Further, the Administrator is accountable to the public utilities commission for achieving efficiency metrics and applying the funds in the most cost effective manner.**

If we truly want to rapidly transition Hawai'i to energy independence, we have to be prepared to invest in that preferred future today. We cannot afford to wait until the economy recovers and the price of oil returns to triple-digits as it did last summer. The low oil price today presents a perfect opportunity to tap the source of our energy problem to fund our solutions.

Hawai'i is the most dependent state in the nation on imported oil. Some 50 million barrels are imported annually, nearly 80% of which originate from foreign sources¹. In addition, over 805,000 tons of coal are imported into our state². These sources provide power for over 92% of

¹ The State of Hawaii Data Book, 2007

² *Ibid.*

Hawaii's electricity generation. The combustion of these resources also contributes over 23 million tons of climate changing greenhouse gas into our atmosphere annually³. Hawaii's economic, environmental, and energy security demand that we reduce the amount of fossil fuel imported and consumed in Hawai'i. To that end, new policies and sources of funding are critically needed that will dramatically increase energy efficiency, build our smart energy infrastructure with storage, and develop clean, renewable, and indigenous energy sources.

Blue Planet generally supports the establishment of an "energy and food security task force" to be tasked with examining areas of energy security planning and implementation. We have no position at this time on coupling those duties with food security issues, although we understand and appreciate the motivation behind joining those issues. Blue Planet does, however, strongly support levying an additional surcharge on each barrel of oil imported to Hawai'i and applying those funds to energy efficiency and clean energy investments. **We believe a \$5 surcharge should be levied on each barrel of oil imported into Hawai'i for these purposes.**

Expanding the per-barrel surcharge, as HB 1271 should do, is smart tax-shifting policy to foster greater energy independence by tapping into the source of our problem to fund our preferred future. The concept behind the measure is to help "internalize" the external costs of certain activities; in this case, charge a fee for products that are damaging to the environment and use that money to help mitigate the damage. The link is quite clear between the use of petroleum products and corresponding impacts on our fragile island environments—not only in oil spills, which was the original impetus for the environmental response tax, but also in runoff from the roads our cars drive on, in degraded air quality, and in greenhouse gas emissions and climate change.

A "clean energy" surcharge on a barrel of oil of \$5 is approximately the same as a carbon tax of \$10.45 per ton of carbon dioxide (CO₂)⁴. It would have a marginal impact on petroleum users, yet significantly increase the state's ability to deliver energy efficiency investments and clean energy project funding. A \$10.35 "carbon fee" is average. Many European countries have carbon taxes that exceed \$10.00 per ton. Last year, the Canadian province of British Columbia

³ ICF International. Inventory of Greenhouse Gas Emissions and Sinks in Hawaii: 1990 and 2007. December 2008.

⁴ At 23 lbs CO₂ produced per gallon oil and 42 gallons per barrel.

enacted a carbon fee that started at approximately \$8.00 per ton (English) in July, 2008, and increases to \$24 per ton by 2012.

The impact of CO₂ emissions alone from one barrel oil is much greater than the proposed tax. The Gas Company, in their Integrated Resource Plan, attempted to quantify the externalities (impacts not reflected in the market costs of an activity) per ton of pollutant. They examined environmental, energy security, macroeconomic and employment, and social and cultural externalities. Their results are shocking: the low estimate was \$10/ton CO₂, the mid-range was \$27/ton CO₂, and the high was \$77/ton CO₂⁵. Again, the approximate carbon tax equivalent of this measure is \$10.35.

While we all likely agree that we need to aggressively increase our clean energy use in Hawai'i and decrease our reliance on imported crude, we cannot do it with funding for planning, implementation, development, and funding. House Bill 1271 HD3 SD1 wisely taps the source of our problem—imported oil—to fund clean energy programs.

House Bill 1271 HD3 SD1 can be a smart tax-shifting policy that encourages energy conservation while providing critical funding for a diversity of clean energy and energy efficiency investments statewide. It works by making the “polluter pay.” As we dramatically expand our clean energy capacity in Hawai'i, the real economic benefits of this carbon surcharge will far outweigh the additional burden it may present. This common sense policy will foster greater energy independence by tapping into the source of our problem to fund our preferred future.

We ask that these committees forward an amended HB 1271 HD3 SD1 that contains a \$5 per barrel surcharge with funding being allocated to the clean energy and energy efficiency programs as described in the attached amendments. Blue Planet is happy to work with the Committee to develop appropriate language to accomplish that outcome.

Thank you for the opportunity to testify.

⁵ The Gas Company, 1999. The Gas Company Integrated Resource Plan Report, Jan 28, 1999 Draft, Honolulu.

Blue Planet Foundation amendments to HB 1271 SD1

SECTION 4 Section 243-3.5, Hawaii Revised Statutes, is amended as follows:

1. By amending its title and subsection (a) to read:

"§243-3.5 Environmental response, energy and food security tax; uses. (a) In addition to any other taxes provided by law, subject to the exemptions set forth in section 243-7, there is hereby imposed [~~at times provided in section 128D-2~~] a state environmental response energy and food security tax of [~~5 cents~~] \$5 on each barrel or fractional part of a barrel of petroleum product sold by a distributor to any retail dealer or end user, other than a refiner, of petroleum product; provided that:

- (1) 5 cents of the tax on each barrel shall be [~~used pursuant to section 128D-2 to address concerns relating to drinking water.~~] deposited into the environmental response revolving fund established under section 128D-2;
- (2) 200 cents of the tax on each barrel shall be deposited into the energy efficiency special fund established under section 269- ;
- (23) 20 cents of the tax on each barrel shall be deposited into the energy security special fund established under section 201-12.8;

(34) 20 cents of the tax on each barrel shall be deposited into the energy systems development special fund established under section 304A-2169;

(45) 180 cents of the tax on each barrel shall be deposited into the food security special fund established under section 141- ; and

(56) 75 cents of the tax on each barrel shall be deposited into the general fund.

The tax imposed by this subsection shall be paid by the distributor of the petroleum product."

2. By amending subsection (c) to read:

"(c) Notwithstanding section 248-8 to the contrary, the environmental response, energy and food security tax collected under this section shall be paid over to the director of finance for deposit [~~into the environmental response revolving fund established by section 128D-2.~~] as provided in subsection (a)."

NEW LANGUAGE

SECTION 6. Chapter 269, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§269- Energy Efficiency special fund; establishment. (a) There is established within the state treasury the energy efficiency special fund.

(b) The following shall be deposited into the special fund:

(1) The portion of the environmental response, energy, and food security tax specified under section 243-3.5;

(2) Any appropriation by the legislature into the special fund;

(3) Any grant or donation made to the special fund; and

(4) Any interest earned on the balance of the special fund.

(c) Subject to legislative appropriation, moneys in the special fund shall be expended by the public utilities commission for the same purposes as the public benefit fees collected pursuant to section 269-121.

SECTION 7. Section 269-122, Hawaii Revised Statutes, is amended as follows:

§269-122 Public benefits fee administrator; establishment.

(a) The public utilities commission may contract with a third-party administrator, to operate and manage any programs

established under section 269-121. The administrator shall not be deemed to be a "governmental body" as defined in section 103D-104[; ~~provided that all moneys transferred to the third-party administrator shall be comprised solely of public benefit fees collected pursuant to section 269-121~~]. The administrator shall not expend more than ten per cent of the collected public benefits fees or legislative appropriations pursuant to section 269- in any fiscal year, or other reasonable percentage determined by the public utilities commission, for administration of the programs established under section 269-121.

(b) The public benefits fee administrator shall be subject to regulation by the public utilities commission under any provision applicable to a public utility in sections 269-7, 269-8, 269-8.2, 269-8.5, 269-9, 269-10, 269-13, 269-15, 269-19.5, and 269-28, and shall report to the public utilities commission on a regular basis. Notwithstanding any other provision of law to the contrary, the public benefits fee administrator shall not be an electric public utility or an electric public utility affiliate.



Sierra Club Hawai'i Chapter

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SENATE COMMITTEE ON WAYS AND MEANS

April 2, 2009, 9:30 A.M.
(*Testimony is 2 pages long*)

TESTIMONY IN SUPPORT OF HB 1271, HD3, SD1 WITH AMENDMENTS

Aloha Chair Kim and Members of the Committee:

The Sierra Club, Hawai'i Chapter, with 5500 dues paying members statewide, supports HB 1271, HD3, SD1, establishing a means to finance smart efforts to ensure Hawai'i's energy and food security security. The bill is a smart tax-shifting policy designed to foster greater energy independence by tapping into the source of our problem so as to fund our preferred future. It has the additional benefit of putting Hawai'i's money to work here on the islands instead of sending it off to the Middle East.

The concept behind this measure is to help "internalize" the external costs of certain activities; in this case, charge a fee for products that are damaging to the environment and use that money to help mitigate the damage. The link is quite clear between the use of petroleum products and corresponding impacts on our fragile island environments—not only in oil spills, which was the original impetus for the environmental response tax, but also in runoff from the roads our cars drive on, in degraded air quality, and in greenhouse gas emissions and climate change. This measure would provide additional funds for their efforts, as well as provide funding for energy efficiency projects and development of renewable energy critical for Hawai'i's long-term future.

While we all likely agree we need to aggressively increase our clean energy use in Hawai'i and decrease our reliance on imported crude, we cannot do it with funding for research, development, and policy implementation. To the extent HB 1271 HD3 targets specified uses of funding for agriculture, the Sierra Club suggests we similarly target energy efficiency and incentive programs designed to reduce our dependence on fossil fuels. In fact, this should be the thrust of this fund. ***Such efforts will provide benefits in excess of the small fee increase.*** For example, creating a loan fund for the installation of solar water heaters will create economic benefits for everyone in excess of the imposition of a \$1.00 or greater charge.

Specifically, the Sierra Club recommends identifying contributions to the existing energy efficiency Public Benefit Funds Administrator (regulated by the Public Utilities Commission), which would directly increase and add efficiency incentives (such as appliance buy-back programs, free home energy audits, solar water heater and compact fluorescent/LED rebates,

and other efficiency programs. In addition, contributions should be made into direct incentive programs that are designed to maximize small, local renewable energy sources.

Further, the Sierra Club believes that the impacts of global climate change will have significant impacts on Hawai'i's natural ecosystem. Taping into the source of the problem -- overuse of fossil fuels -- as a funding source to strengthen habitat resilience programs is brilliant and necessary move. The Sierra Club reviewed the proposed amendments suggested by the Nature Conservancy of Hawai'i and generally supports these suggestions.

We acknowledge raising taxes is not a popular move. **To put the larger issue of oil cost in perspective, however, consider we were recently paying a tax of \$95 per barrel of oil.** That's the difference between what oil cost in 2008 and what it costs now. This "tax" went into the hands of foreign countries and oil developers. Wouldn't we rather spend this money here in Hawai'i? Wouldn't we rather ensure our oil and food security for the future and avoid future market volatility?

It is our belief that the public would accept this proposal if there is a solid commitment towards applying the money for the wise use of the Islands' reservoir of power -- the use of wind, waves, geothermal, and the sun. House Bill 1271 is smart tax-shifting policy that encourages resource conservation and increases our ability to protect Hawai'i's environment by making the "polluter pay." As we dramatically expand our clean energy capacity in Hawai'i, the real economic benefits of this carbon surcharge will far outweigh the additional burden it may present.

Thank you for the opportunity to testify.



PATH ~ PEOPLES ADVOCACY FOR TRAILS HAWAII

PO Box 62 ♦ KAILUA-KONA, HAWAII 96745 ♦ 808 -329-9718 ♦ sharetheroad@pathhawaii.org

April 1, 2009

Comment regarding **HB1271 HD3 SD1**

Senate Committee on Ways and Means
Senator Donna Mercado Kim, Chair
Senator Shan Tsutsui, Vice Chair
State Capitol Room 211
Thursday, April 2nd at 9:30am

Aloha Chairwoman Kim, Vice Chairman Tsutsui and members of the Committee,
Thank you for the opportunity to provide comment regarding HB1271 HD3 SD1.

PATH is a grassroots bicycling and pedestrian advocacy organization with a strong interest in reducing transportation energy demand by developing a safe, interconnected active transportation network that shifts modes from driving to walking and bicycling as oil-free, clean and efficient modes of transportation.

PATH supports the first two purposes of HB1271 (to establish greater energy and food self-sufficiency) but we feel that the following amendments are necessary to best fulfill these stated purposes:

- 🚲 Under Part I, Section 1 @ Page 3, line 15
"The legislature also finds it is equally important to reduce energy usage through active transportation infrastructure that shifts some trips to walking or bicycling, requiring no energy while improving health, air quality and reducing green house gas emissions."
- 🚲 Under Part II, Section 2, (c) (7) @ Page 7, line 21
"(7) The improvement of active transportation networks that provide safe path of travel for non-motorized transportation such as walking and bicycling.
(8) Grants for active transportation initiatives that will reduce transportation energy demand through mode shift to non-motorized transportation."
- 🚲 Under Part II, Section 4, 1, (6) @ Page 11, line 20
"___ cents of the tax on each barrel shall be deposited into the HDOT Bicycle and Pedestrian Program and all County bikeway funds for active transportation infrastructure improvements."
- 🚲 Under Part III, Section 5. (a), @ Page 14, line 5
"(9) Identify key Bike Plan Hawaii projects and forthcoming Ped Plan Hawaii projects that should be accelerated in order to establish a safe, interconnected active transportation network."
- 🚲 Under Part II, Section 5. (b), @ Page 15, line 12
"(9) The Deputy Director of Highways for the Hawaii Department of Transportation or designee."

Mahalo for the opportunity to comment.

Laura Dierenfield
executive director

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Mission
To safely connect the people and places on Hawai'i Island with pathways and bikeways.

Serving
the Island of Hawai'i since 1986

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The Nature Conservancy
Hawai'i Program
923 Nu'uuanu Avenue
Honolulu, HI 96817

tel (808) 537-4508
fax (808) 545-2019
www.nature.org/hawaii

Testimony of The Nature Conservancy of Hawai'i
Supporting with Amendments H.B. 1271 SD1 Relating to Government
Senate Committee on Ways and Means
Thursday, April 2, 2009, 9:30AM, Rm. 211

The Nature Conservancy of Hawai'i is a private non-profit conservation organization dedicated to the preservation of Hawaii's native plants, animals, and ecosystems. The Conservancy has helped to protect nearly 200,000 acres of natural lands for native species in Hawai'i. Today, we actively manage more than 32,000 acres in 11 nature preserves on O'ahu, Maui, Hawai'i, Moloka'i, Lāna'i, and Kaua'i. We also work closely with government agencies, private parties and communities on cooperative land and marine management projects.

The Nature Conservancy **supports with the attached amendments** H.B. 1271 SD1, particularly the imposition of a reasonable tax increase on imported petroleum as a smart way to support Hawaii's energy security goals, incentivize innovation and change, get off our addiction to polluting fossil fuels, and help us cope with the inevitable effects of climate change.

We recommend the Committee amend the bill (see attached) to require a reasonable portion, such as 15%, of the barrel fee revenue be used to plan for and help natural systems and communities cope with the inevitable challenges brought on by climate change caused by CO2 emissions from burning fossil fuels.

We do agree that the majority of the revenue from the barrel fee should be used to support the transition to clean energy and CO2 emission reduction. In this regard, we are aware and supportive of amendments suggested by Blue Planet Foundation on energy efficiency and allocation of the barrel fee revenue.

Climate change is an imminent and unprecedented threat to both natural systems (e.g., forests, coastlines, coral reefs, wetlands) and to every person in Hawai'i that—whether they know it or not—depends on services from the natural environment for their livelihoods, health and welfare. Scientists have examined the evidence and rapid climate change is real; it is clearly caused by human activity; it is already a problem for habitat for plants and animals; and, if sources of CO2 are not dramatically reduced, climate change could well have catastrophic results for people and their relationship with the natural environment.

Even if we drastically reduce CO2 emissions now, we will still feel the effects of climate change. In Hawai'i, science is indicating that this may include:

- More frequent and more severe storms;
- Overall, less rainfall and therefore less fresh water;
- Higher temperatures that may affect the health of forested watersheds;
- Climatic conditions even more conducive to invasive plants, insects and diseases;
- Sea level rise and high wave events that will harm coastal areas and cause seawater infiltration into groundwater systems; and
- Ocean acidification that will inhibit the growth of coral reefs.

In addition, to achieving energy security through vastly greater energy efficiency, technology and renewable energy development, we must plan and implement mitigative and adaptive measures to ensure the resilience of our natural and human systems.

Proposed amendments attached. Additionally, the Committee may wish to consider eliminating the task force proposed in this bill in favor of focusing on the programs that are allocated barrel fee revenue to undertake actual energy, agriculture and natural resource programs.

BOARD OF TRUSTEES

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Jean E. Rolles Scott Rolles James Romig Crystal Rose Eric Yeaman

[Proposed amendments from The Nature Conservancy highlighted]

Report Title:

Food and Energy Security and Natural Resource Protection Program Establishment; Gasoline Tax; Alcohol Fuels; Exemption; Repeal; Sunset Clause

Description:

Establishes the food security special fund. Establishes the climate change resilience and adaptation special fund. Establishes the Hawaii economic development and natural resource protection task force to address Hawaii's energy and food security and natural resource protection needs. Revises the tax collected on each barrel of petroleum product sold by a distributor. Allocates portions of the taxes collected to various funds, including the general fund. Repeals the sunset date of the general excise tax exemption on gross income or proceeds from the sale of alcohol fuels. Effective date 7/1/2020. (SD~~1~~2)

HOUSE OF REPRESENTATIVES
TWENTY-FIFTH LEGISLATURE, 2009
STATE OF HAWAII

H.B. NO. 1271
H.D. 3
S.D. 2

A BILL FOR AN ACT

RELATING TO GOVERNMENT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

PART I

SECTION 1. The purpose of this Act is to:

- (1) Promote economic development for local food and energy businesses by establishing necessary funding, guidance, and infrastructure;
- (2) Ensure Hawaii is energy and food self-sufficient and sustainable to the maximum extent feasible;

kim2 - Arline

From: Ty Aldinger [captainty@hawaii.rr.com]
Sent: Tuesday, March 31, 2009 8:49 PM
To: WAM Testimony
Subject: Testimony in Support of HB 1271

SENATE COMMITTEE ON WAYS AND MEANS
April 2, 2009, 9:30 A.M.
Room 211
TESTIMONY IN STRONG SUPPORT OF HB 1271

Chair Kim and members of the committee:

I support a \$5 surcharge on each barrel of oil entering Hawaii to be used to fund our clean energy future.

Funds should be directed to energy efficiency projects first (through the new energy efficiency fund administrator) with a particular focus on low-income energy efficiency upgrades and solar water heating.

Funds should then be used to incentivize clean energy investment, smart grid infrastructure improvements, and leveraging federal stimulus dollars for energy projects.

The relatively low oil price today presents a perfect opportunity to tap the source of our energy problem to fund our solutions.

The surcharge will be used to create green jobs locally and help foster local clean energy innovation. Body text]

Thank you for the opportunity to testify.

Ty Aldinger

Hawaii State legislature
State Capital
Honolulu, Hawaii 96813

Comments on
H.B. NO. 1271

Senate Ways and Means Committee on April 2, 2009, Conference Room 211

To: Chair Donna Mercado Kim, Vice Chair Shan Tsutsui, Members of Ways
and Mean Committee

Re: Strong Support for HB1271

From: Pono Shim, Kahu and Vice President Enterprise Honolulu, The Oahu
Economic Development Board
737 Bishop Street, #2040
Honolulu, HI 96813
808-521-3611 x12

On January 21, 2009 I was given the honor of addressing the Senate Members
and the public in the opening invocation. In my address I made a statement: "I
believe this will be the greatest legislative session that Hawaii has ever seen and
that decisions that will be made during this time will have world wide
ramifications." I believe that HB1271 is the fulfillment of my statement. It is a
destiny piece for the people of Hawaii, a gift to the world, and a promise to our
children and future generations. Please continue to move this bill forward.

Mahalo for your stewardship,

Pono Shim

Hawaii State legislature
State Capital
Honolulu, Hawaii 96813

Comments on
H.B. NO. 1271

Senate Ways and Means Committee on April 2, 2009, Conference Room 211

To: Chair Donna Mercado Kim, Vice Chair Shan Tsutsui, Members of Ways
and Mean Committee

Re: Strong Support for HB1271

From: Pono Shim, Kahu and Vice President Enterprise Honolulu, The Oahu
Economic Development Board
737 Bishop Street, #2040
Honolulu, HI 96813
808-521-3611 x12

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that decisions that will be made during this time will have world wide
ramifications." I believe that HB1271 is the fulfillment of my statement. It is a
destiny piece for the people of Hawaii, a gift to the world, and a promise to our
children and future generations. Please continue to move this bill forward.

Mahalo for your stewardship,

Pono Shim

kim2 - Arline

From: Monica I. Toguchi [highwayinnhr@hawaiiantel.net]
Sent: Tuesday, March 31, 2009 2:35 PM
To: WAM Testimony
Subject: Testimony in Support of HB 1271

SENATE COMMITTEE ON WAYS AND MEANS
April 2, 2009, 9:30 A.M.
Room 211

TESTIMONY IN STRONG SUPPORT OF HB 1271

Chair Kim and members of the committee:

1. *I support a \$5 surcharge on each barrel of oil entering Hawaii to be used to fund our clean energy future.*
2. *Funds should be directed to energy efficiency projects first (through the new energy efficiency fund administrator) with a particular focus on low-income energy efficiency upgrades and solar water heating.*
3. *Funds should then be used to incentivize clean energy investment, smart grid infrastructure improvements, and leveraging federal stimulus dollars for energy projects.*
4. *The relatively low oil price today presents a perfect opportunity to tap the source of our energy problem to fund our solutions.*
5. *The surcharge will be used to create green jobs locally and help foster local clean energy innovation.*

Thank you for the opportunity to testify.

Monica Toguchi

VP of Administration & Planning

Highway Inn Inc.

www.myhighwayinn.com

kim2 - Arline

From: Kevin Salts [kevin.salts@paradisepc.biz]
Sent: Tuesday, March 31, 2009 2:26 PM
To: WAM Testimony
Subject: Testimony in OPPOSITION of HB 1271

I am opposed to this legeslation. There must be close supervision and public decision making throughout the program.

Sent from my iPod

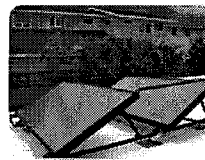
kim2 - Arline

From: Dawn Soderquist [DawnS@cbpacific.com]
Sent: Tuesday, March 31, 2009 12:27 PM
To: WAM Testimony
Subject: Testimony in Support of HB 1271
Attachments: attb3b49.gif; attb3b59.jpg; png; attb3b6a.gif; attb3b7a.jpg; attb3b8b.gif



Aloha Chair Kim and members of the committee;

1. *I support a \$5 surcharge on each barrel of oil entering Hawaii to be used to fund our clean energy future.*
2. *Funds should be directed to energy efficiency projects first (through the new energy efficiency fund administrator) with a particular focus on low-income energy efficiency upgrades and solar water heating.*
3. *Funds should then be used to incentivize clean energy investment, smart grid infrastructure improvements, and leveraging federal stimulus dollars for energy projects.*
4. *The relatively low oil price today presents a perfect opportunity to tap the source of our energy problem to fund our solutions.*
5. *The surcharge will be used to create green jobs locally and help foster local clean energy innovation.*



Dawn Soderquist Okano
RA
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Previews Property Specialist

Mobile: 808-255-9965

Office: 808-748-3446

Fax: 808-732-0914

Website:

www.CBPacific.com/DawnS

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Honolulu, HI 96816

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kim2 - Arline

From: Alice Iida [alice.iida@gmail.com]
Sent: Tuesday, March 31, 2009 12:51 PM
To: WAM Testimony
Subject: Testimony in Support of HB 1271

1. SENATE COMMITTEE ON WAYS AND MEANS
April 2, 2009, 9:30 A.M.
Room 211

TESTIMONY IN STRONG SUPPORT OF HB 1271

Chair Kim and members of the committee:

I support a \$5 surcharge on each barrel of oil entering Hawaii to be used to fund our clean energy future.

2. *Funds should be directed to energy efficiency projects first (through the new energy efficiency fund administrator) with a particular focus on low-income energy efficiency upgrades and solar water heating.*
3. *Funds should then be used to encourage clean energy investment, smart grid infrastructure improvements, and leveraging federal stimulus dollars for energy projects.*
4. *The relatively low oil price today presents a perfect opportunity to tap the source of our energy problem to fund our solutions.*
5. *The surcharge will be used to create green jobs locally and help foster local clean energy innovation.*

Thank you for the opportunity to testify.

Alice

kim2 - Arline

From: Dawn Woolsey [dawnwoolsey@yahoo.com]
Sent: Tuesday, March 31, 2009 1:33 PM
To: WAM Testimony
Subject: HB 1271

SENATE COMMITTEE ON WAYS AND MEANS
April 2, 2009, 9:30 A.M.
Room 211

TESTIMONY IN STRONG SUPPORT OF HB 1271

Chair Kim and members of the committee:

1. I support a \$5 surcharge on each barrel of oil entering Hawaii to be used to fund our clean energy future.

2. Funds should be directed to energy efficiency projects first (through the new energy efficiency fund administrator) with a particular focus on low-income energy efficiency upgrades and solar water heating.

3. Funds should then be used as incentive for clean energy investment, smart grid infrastructure improvements, and leveraging federal stimulus dollars for energy projects.

4. The relatively low oil price today presents a perfect opportunity to tap the source of our energy problem to fund our solutions.

5. The surcharge will be used to create green jobs locally and help foster local clean energy innovation.

Thank you for this opportunity to testify.
D. Woolsey

kim2 - Arline

From: Karen Holderman [klhold@gmail.com]
Sent: Tuesday, March 31, 2009 3:12 PM
To: WAM Testimony
Subject: Testimony in Support of HB 1271

SENATE COMMITTEE ON WAYS AND MEANS
April 2, 2009, 9:30 A.M.
Room 211

TESTIMONY IN STRONG SUPPORT OF HB 1271

Chair Kim and members of the committee:

I support a \$5 surcharge per barrel of oil entering Hawaii to be used to fund our clean energy future. Funds should be directed to energy efficiency projects first (through the new energy efficiency fund administrator) with a particular focus on low-income energy efficiency upgrades and solar water heating. Funds should then be used to incentivize clean energy investment, smart grid infrastructure improvements, and leveraging federal stimulus dollars for energy projects. The relatively low oil price today presents a perfect opportunity to tap the source of our energy problem to fund our solutions. The surcharge will be used to create green jobs locally and help foster local clean energy innovation.

Thank you for the opportunity to testify.

Sincerely,

K.Lee Holderman

kim2 - Arline

From: Barb Morgan [bmorgan@punahou.edu]
Sent: Tuesday, March 31, 2009 3:29 PM
To: WAM Testimony
Subject: Testimony in Support of HB 1271

SENATE COMMITTEE ON WAYS AND MEANS
April 2, 2009, 9:30 A.M.
Room 211

TESTIMONY IN STRONG SUPPORT OF HB 1271

Chair Kim and members of the committee:

I strongly support a \$5 surcharge on each barrel of oil entering Hawaii to be used to fund our clean energy future through funding of energy efficiency projects including upgrades and basic solar water heating.

These funds could also create incentive for other alternative energy investments, improvements to our grid and to leverage our ability to receive stimulus funds for energy projects.

This surcharge should be added **NO MATTER WHAT THE PRICE OF OIL**. If it is only through the price of oil that people will begin conserving again, then it should be higher in order to make this type of investment in efficiencies and alternatives. This is an important solution to becoming more independent from our terrible reliance on this resource, including the conflicts with the Middle East. Maybe adding a surcharge to fund these projects will break the cycle of dependency we are caught in and build the innovations, skills and resources for Hawaii to be more self-sufficient.

Thank you for the opportunity to testify in support of this bill.

Barbara Y. Morgan

2891 Oahu Avenue

Honolulu, HI 96822

944-5845

kim2 - Arline

From: Robert Yamamura [RYamamura@hgvc.com]
Sent: Tuesday, March 31, 2009 3:43 PM
To: WAM Testimony
Subject: Testimony in Support of HB 1271

To whom it may concern:

I support a \$5 surcharge on each barrel of oil entering Hawaii to be used to fund our clean energy future.

Thank you,

Bob Yamamura
Director of Partnership Marketing
Hilton Grand Vacations - Asia/Pacific Region
1600 Kapiolani Blvd., Suite 1100
Honolulu, HI 96814
ryamamur@hgvc.com
Tel. No. (808) 846-6047
Fax No. (808) 846-6177

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kim2 - Arline

From: Matthew Lynch [matthewklynch@gmail.com]
Sent: Tuesday, March 31, 2009 3:52 PM
To: WAM Testimony
Subject: TESTIMONY IN STRONG SUPPORT OF HB 1271

SENATE COMMITTEE ON WAYS AND MEANS
April 2, 2009, 9:30 A.M.
Room 211

Chair Kim and members of the committee:

1. *I support a \$5 surcharge on each barrel of oil entering Hawaii to be used to fund our clean energy future.*
2. *Funds should be directed to energy efficiency projects first (through the new energy efficiency fund administrator) with a particular focus on low-income energy efficiency upgrades and solar water heating.*
3. *Funds should then be used to incentivize clean energy investment, smart grid infrastructure improvements, and leveraging federal stimulus dollars for energy projects.*
4. *The relatively low oil price today presents a perfect opportunity to tap the source of our energy problem to fund our solutions.*
5. *The surcharge will be used to create green jobs locally and help foster local clean energy innovation.*

Thank you for the opportunity to testify.

Sincerely,

Matthew Lynch
808.351.9821

kim2 - Arline

From: Kendra Martyn [kendramartyn@yahoo.com]
Sent: Tuesday, March 31, 2009 4:05 PM
To: WAM Testimony
Subject: Testimony 1271

1. I support a \$5 surcharge on each barrel of oil entering Hawaii to be used to fund our clean energy future.
2. Funds should be directed to energy efficiency projects first (through the new energy efficiency fund administrator) with a particular focus on low-income energy efficiency upgrades and solar water heating. Kendra Martyn

kim2 - Arline

From: leirez@netzero.net
Sent: Wednesday, April 01, 2009 6:37 AM
To: WAM Testimony
Subject: Testimony in Support of HB 1271

I support HB1271 a five dollar tax placed on each barrel of oil entering Hawaii to fund our own clean energy future.

kim2 - Arline

From: Raphiell Nolin [raphiell@gmail.com]
Sent: Wednesday, April 01, 2009 3:56 AM
To: WAM Testimony
Subject: Testimony in Support of HB 1271

I support a \$5 surcharge on each barrel of oil entering Hawaii to be used to fund our clean energy future.

Funds should be directed to energy efficiency projects first (through the new energy efficiency fund administrator) with a particular focus on low-income energy efficiency upgrades and solar water heating.

Funds should then be used to incentivize clean energy investment, smart grid infrastructure improvements, and leveraging federal stimulus dollars for energy projects.

The relatively low oil price today presents a perfect opportunity to tap the source of our energy problem to fund our solutions.

The surcharge will be used to create green jobs locally and help foster local clean energy innovation.

Sincerely,
Raphiell Nolin
PO Box 1216
Puunene, Hi 96784

kim2 - Arline

From: Oliver Kelso [otkelso@gmail.com]
Sent: Wednesday, April 01, 2009 2:22 AM
To: WAM Testimony
Subject: Testimony in Support of HB 1271

SENATE COMMITTEE ON WAYS AND MEANS
April 2, 2009, 9:30 A.M.
Room 211

TESTIMONY IN STRONG SUPPORT OF HB 1271

Chair Kim and members of the committee:

I support a \$5 *or more* surcharge on each barrel of oil entering Hawaii to be used to fund our clean energy future.

Funds should be directed to energy efficiency projects first (through the new energy efficiency fund administrator) with a particular focus on low-income energy efficiency upgrades and solar water heating. Funds should then be used to incentivize clean energy investment, smart grid infrastructure improvements, and leveraging federal stimulus dollars for energy projects.

The surcharge will be used to create green jobs locally and help foster local clean energy innovation. These funds should be directed heavily at private businesses (not at government projects) and start-up ventures, as not only will it promote Hawaii's energy independence but fuel our economy.

The relatively low oil price today presents a perfect opportunity to tap the source of our energy problem to fund our solutions. In addition, rising energy costs in the future would provide a further incentive to make the islands more efficient.

Thank you for the opportunity to testify,

Oliver Kelso
25 South Kalaheo Avenue
Kailua, Hawaii 96734

kim2 - Arline

From: Lisa Akamine [lisaakam@hawaii.edu]
Sent: Wednesday, April 01, 2009 8:11 AM
To: WAM Testimony
Subject: Testimony in Support of HB 1271

SENATE COMMITTEE ON WAYS AND MEANS
April 2, 2009, 9:30 A.M.
Room 211

TESTIMONY IN STRONG SUPPORT OF HB 1271

Chair Kim and members of the committee:

1. *I support a \$5 surcharge on each barrel of oil entering Hawaii to be used to fund our clean energy future.*
2. *Funds should be directed to energy efficiency projects first (through the new energy efficiency fund administrator) with a particular focus on low-income energy efficiency upgrades and solar water heating.*
3. *Funds should then be used to incentivize clean energy investment, smart grid infrastructure improvements, and leveraging federal stimulus dollars for energy projects.*
4. *The relatively low oil price today presents a perfect opportunity to tap the source of our energy problem to fund our solutions.*
5. *The surcharge will be used to create green jobs locally and help foster local clean energy innovation.*

Thank you for the opportunity to testify.

Lisa Akamine

47-226 Hui Aeko Way

Kaneohe, HI 96744

kim2 - Arline

From: Dennis Burns [dburns@1013integrated.com]
Sent: Wednesday, April 01, 2009 2:11 PM
To: WAM Testimony
Subject: Testimony in Support of HB 1271

SENATE COMMITTEE ON WAYS AND MEANS
April 2, 2009, 9:30 A.M.
Room 211

TESTIMONY IN SUPPORT OF HB 1271

Dear Chair Kim and members of the Committee:

I support a surcharge on each barrel of oil entering Hawaii to be used to fund our clean energy initiatives. Funds should be directed to energy efficiency projects particularly focused on low-income energy efficiency upgrades and solar water heating.

Funds should also be used to create incentives for clean energy investment, smart grid infrastructure improvements and leveraging federal stimulus dollars for energy projects.

The relatively low oil price today presents a perfect opportunity to tap the source of our energy problem to fund our solutions.

I hope I can count on your support of HB 1271. Thank you for this opportunity to testify.

Dennis Burns
Director of Photography

Pacific Focus and Lewis & Montgomery
are now
1013
o: 808.593.8848
m: 808.780.8880
f: 808.593.9427
e: dburns@1013integrated.com

<http://1013integrated.com>

kim2 - Arline

From: Brooke S. Loughridge [b_schim@yahoo.com]
Sent: Wednesday, April 01, 2009 1:00 PM
To: WAM Testimony
Subject: In Support of HB1271

TESTIMONY IN STRONG SUPPORT OF HB 1271

Dear Chair Kim and members of the committee:

We support a \$5 surcharge on each barrel of oil entering Hawaii to be used to fund our clean energy future.

Funds should be directed to energy efficiency projects first (through the new energy efficiency fund administrator) with a particular focus on low-income energy efficiency upgrades and solar water heating.

Funds should then be used to incentivize clean energy investment, smart grid infrastructure improvements, and leveraging federal stimulus dollars for energy projects.

The relatively low oil price today presents a perfect opportunity to tap the source of our energy problem to fund our solutions.

The surcharge will be used to create green jobs locally and help foster local clean energy innovation.

Thank you for the opportunity to testify.

Brooke Loughridge
Aloha Island, Inc.
(808)372-3727