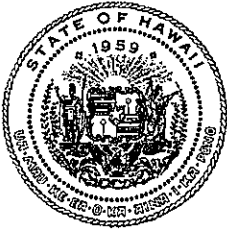


TESTIMONY
HB 589, HD1, SD1
LATE



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

LINDA LINGLE
GOVERNOR
THEODORE E. LIU
DIRECTOR
MARK K. ANDERSON
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: www.hawaii.gov/dbedt

Telephone: (808) 586-2355
Fax: (808) 586-2377

Statement of
THEODORE E. LIU
Director

LATE TESTIMONY

Department of Business, Economic Development, and Tourism
before the
**SENATE COMMITTEE ON
WATER, LAND, AGRICULTURE, AND HAWAIIAN AFFAIRS**
Monday, April 6, 2009
2:45 p.m.
State Capitol, Conference Room 229

in consideration of

**HB589 HD1 SD1
RELATING TO RENEWABLE ENERGY FACILITIES.**

Chair Hee, Vice Chair Tokuda, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) supports HB589 SD1 HD1. The purpose of HB589 is to facilitate the financing and development of renewable energy facilities by allowing leases and easements pertaining to renewable energy facilities, together with mortgages and other conveyances as security for finance, to be created, enforceable, and recordable, without requiring the landowner to obtain formal subdivision approval from the applicable county or other approving agency. There exists considerable acreage of what was once agricultural land that is now sitting idle and is considered of marginal value for agriculture. Some of these sites may be well suited for solar and wind facilities. This bill would streamline the permitting process by ensuring that only those requirements necessary for health and safety are imposed.

In order to develop and finance renewable energy facilities, a site for the facilities and access to the site must often be leased, granted as an easement, or mortgaged to provide financing for the project. Renewable energy projects may require site acreage or configurations that do not

coincide with existing, already subdivided lot boundaries. For instance, consider a parcel that is roughly thirty (30) acres in size. A renewable energy developer may want to develop a solar farm on the parcel that is only five (5) acres in size. Under the current subdivision laws, the renewable energy developer would be required to encumber the entire legal lot with a mortgage that provides financing for the project. Currently subdivision laws generally prohibit the transfer of an interest in land that is not an entire subdivided lot or easement that has been approved by the applicable county. With respect to land in the land court system, the additional step of obtaining land court approval is also required. In effect, the developer is forced to risk the entire thirty (30) acres of land in order to finance the solar farm on five (5) acres of land. These laws prevent or discourage utilization of or financing on leases and easements for renewable energy projects.

A land owner could subdivide his or her parcel to allow for the financing, but this process is fairly long and involved, in some cases taking several years. HB589 will help expedite the financing and development of renewable energy facilities by allowing leases and easements pertaining only to renewable energy facilities to be created for mortgages and other conveyances without requiring the landowner to obtain formal subdivision approval from the applicable county or other approving agency. There is no doubt that facilitating the siting of renewable energy facilities will play an integral role in meeting the State's targets for 70% clean energy by 2030.

Thank you for the opportunity to offer these comments.

**DOWLING
COMPANY, INC**

April 6, 2009

Hearing on HB589, HD1, SD1 Relating to Renewable Energy Facilities
Before the Senate Committee on Water, Land, Agriculture, and Hawaiian Affairs
on Monday, April 6, 2009 at 2:45 p.m. in Conference Room 229
Dear Chairs Gabbard and English and members of the Committee:

My name is Jennifer Stites and I am the Green Development Manager for Dowling Company, Inc. ("DCI"). DCI is a Maui-based real estate development company that is committed to sustainable development. As the land owner of 1800 acres in Makena, including the Maui Prince Hotel and Makena North and South Golf Courses, we have set the goal of developing a net-zero energy community. Through energy reduction and renewable energy production on-site, we hope to develop a model sustainable community for Hawaii.

Therefore, we support HB589, HD1, SD1 because it will expedite the permitting process for renewable energy facilities and, thus, will hopefully bring more renewable generation to Hawaii to meet the goals of HCEI.

Thank you for the opportunity to testify in support of HB589, HD1, SD1.

LATE TESTIMONY

TESTIMONY
HB 589, HD1, SD1
LATE
(END)