



Bill No. 1260

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HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION
March 17, 2009, 8:30 A.M.
Room 325
(Testimony is 1 page long)

TESTIMONY IN STRONG SUPPORT OF SB 1260 SD1

Chair Morita and members of the committee:

The Blue Planet Foundation strongly supports SB 1260 SD1 (with an appropriate start date), closing a loophole in Hawaii's existing Clean Air Act that allows large polluters to pay LESS per ton of air emissions they create. **In establishing clean energy policies, one of the first places to fix is laws that provide a perverse incentive to do the wrong thing.**

A loophole exists in Hawaii's clean air law that inadvertently provides an incentive for large polluters. Under Chapter 342B-29, covered source permit holders pay per ton of pollution emitted annually. These fees fund the Department of Health's (DOH) Clean Air Branch and other programs. Covered source permit holders, however, are not assessed fees for any tons of pollutants beyond 4,000 tons. The current law is not only unfair to covered source permit holders that emit less than 4,000 tons, it provides disincentive to reduce pollution that exceeds 4,000 tons annually.

We understand that only Hawaiian Electric currently benefits from this clause (as the only covered source permit holder with more than 4,000 tons of pollutants per year). Why shouldn't they pay the costs of emitting these pollutants like all other permitted businesses? Eliminating this clause would eliminate another subsidy for fossil fuels, enabling clean energy sources to compete more fairly.

Moreover, the DOH environmental division and the Department of Business, Economic Development, and Tourism energy resources group is short of resources and staff to implement environmental and clean energy projects and manage the new greenhouse gas limit task force and rulemaking process. By removing this loophole in the Clean Air Act, additional funds could be provided for these purposes.

We respectfully ask that the Committee on Energy & Environmental pass SB 1260 SD1 with an amendment to make the measure effective upon approval.

Thank you for the opportunity to testify.