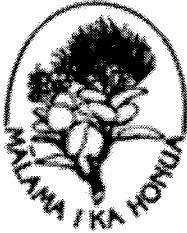


**SB 1260**



# Sierra Club Hawai'i Chapter

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LATE

## SENATE COMMITTEE ON WAYS AND MEANS

March 2, 2009, 9:30 A.M.

*(Testimony is 1 page long)*

### TESTIMONY IN SUPPORT OF SB 1260

Aloha Chair Kim and members of the Committee:

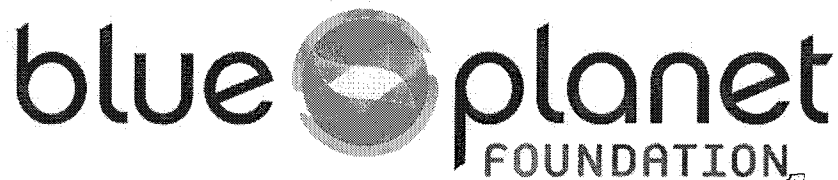
The Sierra Club, Hawai'i Chapter, with 5500 dues paying members statewide, strongly supports SB 1260, closing a loophole in Hawaii's existing Clean Air Act that allows large polluters to pay LESS per ton of air emissions they create. *In establishing sustainability policies, one of the first places to 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 two companies benefit from this clause: HECO and Chevron (only covered source permit holders that emit 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. Moreover, it's just plain fair.

We also understand this Committee is looking for ways to resolve our current budget crisis. By removing this loophole in the Clean Air Act, additional funds could be provided for many current environmental activities or to simply balance the budget.

We respectfully ask that this Committee pass SB 1260 in unamended form. **Let's make the playing field fair again.** Thank you for this opportunity to provide testimony.



**LATE**

**SENATE COMMITTEE ON WAYS AND MEANS**

March 2, 2009, 9:30 A.M.

Room 211

**(Testimony is 1 page long)**

**TESTIMONY IN STRONG SUPPORT OF SB 1260**

Chair Kim and members of the committee:

The Blue Planet Foundation strongly supports SB 1260, 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 and Environment pass SB 1260 in unamended form.**

Thank you for the opportunity to testify.

**Jeff Mikulina, executive director • [jeff@blueplanetfoundation.org](mailto:jeff@blueplanetfoundation.org)**

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