



**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

**HOUSE COMMITTEES ON
ENERGY AND ENVIRONMENTAL PROTECTION
and
WATER, LAND, AND OCEAN RESOURCES**

Friday, March 20, 2009
10:00 a.m.
State Capitol, Conference Room 325

in consideration of
SB 50 SD1
RELATING TO RENEWABLE ENERGY PRODUCERS

Chair Ito, Chair Morita, Vice Chair Har, Vice Chair Coffman, and Members of the
Committees.

The Department of Business, Economic Development, and Tourism (DBEDT) supports the intent of SB 50, SD1, to the extent the bill as drafted continues to allow the Board of Land and Natural Resources (“Board”) to lease State lands to renewable energy producers without public auction but subject to the additional conditions. Senate Bill 50 HD 1 proposes to amend Section Hawaii Revised Statutes (HRS) 171-95, by requiring the Board, in the context of a direct lease of State lands to a renewable energy producer, to (i) provide public notice of its intent to other interested renewable energy producers, and (ii) require the proposed lessee renewable energy producer to provide pertinent information regarding five additional criteria. The Department, however, has one serious concern regarding the fifth condition which requires that a renewable energy producer show “[e]vidence that the renewable energy producer has relied on securing private land to the fullest extent reasonable under the circumstances.” This condition

would eliminate projects located in particularly resource-rich areas of State lands, such as the Kaheawa wind farm on Maui or ocean, hydropower, or geothermal projects. It is often the case that State lands are the most ideal, resource-rich lands for energy projects and this requirement may deter these from proceeding. We are concerned over this requirement and recommend it be removed.

We defer to the Department of Land and Natural Resources regarding additional public meetings, leases, and subsequent reports.

Thank you for the opportunity to offer these comments.

LINDA LINGLE
Governor



State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512

SANDRA LEE KUNIMOTO
Chairperson, Board of Agriculture

DUANE K. OKAMOTO
Deputy to the Chairperson

**TESTIMONY OF SANDRA LEE KUNIMOTO
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE HOUSE COMMITTEES ON
WATER, LAND, & OCEAN RESOURCES
AND
ENERGY & ENVIRONMENTAL PROTECTION**

Friday, March 20, 2009
10:00 A.M.
Conference Room 325

**SENATE BILL NO. 50, SD1
RELATING TO RENEWABLE ENERGY PRODUCERS**

Chairpersons Ito and Morita and Members of the Committees:

Thank you for the opportunity to present testimony on Senate Bill No. 50, SD1 which seeks to amend Section 171-95 in order to create greater transparency and community participation in decisions about the leasing of state lands to renewable energy producers. The Hawaii Department of Agriculture supports this measure and offers comments.

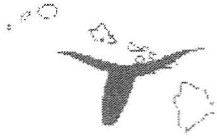
World events have made it obvious that Hawaii is extremely vulnerable to disruptions in its food and energy supplies. Fortunately, the Governor and the Legislature are united in their belief that we must find a way to provide more locally produced food and fuel to Hawaii's people. Senate Bill No. 50, SD1 is an attempt to balance the use of Hawaii's precious lands and to reduce community fears of displacement and disruption.

This bill provides for an open process that allows for the fair evaluation of multiple energy producers interested in the same public lands for energy projects. We

agree that companies should provide adequate information to indicate the viability of the project and be held to a timeline so that valuable land does not sit idle for an unreasonably long time while precluding others from utilizing that land.

We also believe that encouraging renewable energy producers to seek private lands as well as public lands is desirable and completely agree that current lessees should not be terminated if they are in full compliance with their lease.

While this issue has caused much anxiety and turmoil for both ranchers and energy producers, we believe that a unique opportunity is before us to uncover where true synergy might lie between the two. HDOA is already assisting the cattle industry to meet with agencies to explain their vision, status and strategic plan that speaks to expansion of our food supply.



Hawaii Cattlemen's Council, Inc.

64-957 Mamalahoa Hwy

Kamuela HI 96743

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HOUSE COMMITTEE ON WATER, LAND AND OCEAN RESOURCES
AND
HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

Friday March 20, 2009 10:00 am Room 325

SB 50 SD1 RELATING TO RENEWABLE ENERGY PRODUCERS

Chairs Ito and Morita, and Members of the Committees:

My name is Alan Gottlieb, and I am the President of the Hawaii Cattlemen's Council. The Hawaii Cattlemen's Council, Inc. (HCC) is the Statewide umbrella organization comprised of the five county level Cattlemen's Associations. Our 130+ member ranchers represent over 60,000 head of beef cows; more than 75% of all the beef cows in the State. Ranchers are the stewards of approximately 25% of the State's total land mass.

The Hawaii Cattlemen's Council strongly supports SB 50 SD1. At a recent Hawaii Cattlemen's Council Board meeting our statewide delegates passed a resolution unanimously supporting this bill. This bill attempts to amend HRS Section 171-95 passed during an earlier legislative session, which allows the State to negotiate Direct leases with renewable energy producers, to help meet goals in the State's renewable energy mandates. However, if leases can be negotiated directly for lands already occupied by current long term lessees who are in good standing on their leases, for instance cattle ranchers, this constitutes assisting one industry at the possible detriment of another.

We do ask you to consider a slight amendment to the language as follows (new language underscored):

A lease to a renewable energy producer under this subsection shall not result in the involuntary termination of a lease or the a significant withdrawal from a lease of public land held by an existing lessee who is currently in compliance with the terms of the lease.

As we have all watched the demise of many segments of the Hawaii livestock industry in recent years, including poultry, dairy and the struggling hog industry, Law and policy makers have been asking the beef cattle industry what we need to be sustainable. In response, in 2007, our industry worked together to create a Strategic Plan.

UNIFIED AFFILIATE OF THE NATIONAL CATTLEMEN'S BEEF ASSOCIATION
Hawaii Cattlemen's Association • Kauai Cattlemen's Association • Maui Cattlemen's Association
Molokai Grazier's Association • Oahu Cattlemen's Association

Overall, our industry's outlook is a positive one. The Hawaii Beef Cattle Industry has great opportunity for continued growth, which certainly works towards your mandates for bio-security for food production in Hawaii. However, our industry's condition is also fragile, especially if we begin to lose production on some of our large land tracts, many of which are leased from the State of Hawaii (DLNR, DOA and DHHL). Like the Hawaii dairy industry, our industry is dependent on a critical mass to help support its infrastructure (processing plants, transportation, marketing) and like dominos, key producers in our industry can quickly fall, if too much of our lands and productivity are lost. The small ranchers are especially susceptible, because without the big ranchers helping to support that infrastructure, everyone loses.

Today there are 2 dairies in Hawaii which supply less than 10% of our locally consumed milk. Just 25 years ago there were 19 dairies supplying 100% of the locally consumed milk, plus ice cream production! We, The Hawaii Beef Cattle Industry, would like you to understand our issues today when our industry is strong and has continued potential, rather than to come back to you in several years to tell you we're all but done.

One of our key positions in our Strategic Plan is **"To work to preserve public grazing lands with a "no net loss of State grazing land" policy by restricting the leasing of public lands which have historically been used for grazing leases to only qualified ranchers and on lease terms appropriate to encourage responsible pasture use and management."** One reason for this policy is a critical mass issue **"Hawaii's cattle industry needs a core of larger producers to survive to preserve the necessary critical mass that benefits all producers and keeps the operation of the industry's infrastructure (transportation, packing houses, market opportunities, etc) viable.** We have recently realized that our policy terminology needed clarification and we have revised this to a policy of "no net loss in grazing productivity". We realize and appreciate that there are cases when co-use is possible and a win-win, but only if the land lost or shared is off-set with some increase in productivity on the remaining lands.

In recent months, several large pasture lessees on State owned land woke up to read in the morning paper that there would be a hearing the next day at DLNR possibly taking some or all of their leases away from them and using them instead for a bio-fuels project, via a direct lease arrangement. The newspaper stated that over 37,000 acres of land leased for pasture was up for grabs.

We understand from several of our members who are affected lease holders, that they had not even been contacted by DLNR that they may lose their leases for this project.

SunFuels has since asked the BLNR to rescind its action on the 37,000 acres at Hamakua, but this does not mean we do not have to deal with the larger issues which the new Direct lease laws now allow, and that this bill attempts to correct.

Some of our members have asked why the State would take away lands from one viable industry to back one that has yet to prove itself in this State. They ask why anyone would plant more trees, when there are already tens of thousands of acres of trees on the Big Island, many of these past their scheduled harvest date for projects and still neither a value added nor energy conversion plant in place. Taking lands out of pasture can be done quickly, but once they are planted in trees, especially eucalyptus trees, this is a long term commitment of at least 50 years before anything else could be done with the land.

We also worry about the difficulty of finding financing in the future for ranchers who are on State lands, if lenders believe that the State can terminate the lease or part of the lease at any time.

We can support co-use, if it is truly a win-win and not negotiated with a hammer over our heads. We strongly support co-uses with wind turbine projects where cattle can graze right under the windmills, or Photo-voltaic projects which use much smaller areas of land. Monty Richards at Kahua Ranch has been doing grazing under a wind farm for over 30 years. We are worried about a tree project where the cattle need to be fenced out for the first few years so they don't eat or stomp the seedlings, can possibly come in for grazing for a few years after that, but after which further grazing is impossible because grass doesn't grow under the canopy of the trees. A true win-win would mean that **if for example**, 20% of the land from some of these traditional pasture leases were removed and granted to others, that these others or the State helped provide compensation or offsetting benefits so that the remaining 80% of the land could be as productive as 100% of the land previously was. This can be done with improved infrastructure, such as cross fencing, pasture improvements or even irrigated pasture. Increasing carrying capacity per acre can be done, but usually costs more than the revenue from grazing alone can support. If biofuels in fact can generate that much more income, then it appears feasible and equitable that a condition of taking back a portion of a lease should include such an offset for the displaced tenant.

Thank you for giving me the opportunity to testify in favor of this very important issue.

HOUSE COMMITTEE ON WATER, LAND AND OCEAN RESOURCES
AND
HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

Friday March 20, 2009 10:00 am Room 325

SB 50 SD1 RELATING TO RENEWABLE ENERGY PRODUCERS

Chairs Ito and Morita, and Members of the Committees:

My name is William G. Jacintho, and I am the President of the Maui Cattlemen's Association. The Maui Cattlemen's Association represents livestock producers from Maui, Molokai, and Lanai, and strongly supports SB 50 SD1.

This bill attempts to amend HRS Section 171-95 passed during an earlier legislative session, which allows the State to negotiate Direct leases with renewable energy producers, to help meet goals in the State's renewable energy mandates. This constitutes assisting one industry while knocking another one over.

The Hawaii Beef Cattle Industry has great opportunity for continued growth, which works towards mandates for bio-security for food production in Hawaii. Please keep in mind, our industry's condition is also a fragile one, and more so if we begin to lose production on our large land tracts, many of which are leased from the State of Hawaii (DLNR, DOA and DHHL).

One of our key positions in our Strategic Plan is **"To work to preserve public grazing lands with a "no net loss of State grazing land" policy by restricting the leasing of public lands which have historically been used for grazing leases to only qualified ranchers and on lease terms appropriate to encourage responsible pasture use and management."** One reason for this policy is a critical mass issue **"Hawaii's cattle industry needs a core of larger producers to survive to preserve the necessary critical mass that benefits all producers and keeps the operation of the industry's infrastructure (transportation, packing houses, market opportunities, etc) viable.** Our policy is of "no net loss in grazing productivity". There are cases when co-use is possible and a win for both sides, but only if the land lost or shared is off-set with some increase in productivity on the remaining lands.

We support co-uses with wind turbine projects where cattle can graze right under the windmills, or Photo-voltaic projects. We are concerned that a tree project where the cattle need to be fenced out for the first few years so they don't eat or stomp the seedlings, can possibly come in for grazing for a few years, but after that, the trees start to shade out the grass, and over the years, further grazing is impossible.

We are also very concerned that some of these trees are very invasive trees that appear on the Hawaii Weed Risk Assessment list, and could be detrimental to the environment and our precious water sheds, as well as our open grazing land our industry manages, that buffers these water sheds.

Please give it some serious thought, and thank you for giving me the opportunity to testify in favor of this very important issue.


William G. Jacintho

To: Chairperson Ito
Vice-Chairperson Har
House Committee on Water, Land & Ocean Resources

Chairperson Morita
Vice-Chairperson Coffman
House Committee on Energy & Environmental
Protection

From: Daniel KenKnight
Director, Hu Honua Bioenergy, LLC

Date: Friday, March 20th, 2009
Time: 10:00 A.M.
Place: Conference Room 325
State Capitol
415 South Beretania Street

Re: Testimony in support of Senate Bill 50, SD1

Dear Chairperson Ito and Vice-Chairperson Har, Chairperson Morita and Vice-Chairperson Coffman, members of the House Committee on Water, Land & Ocean Resources and members of the House Committee on Energy & Environmental Protection,

My name is Daniel KenKnight, Director, Hu Honua Bioenergy, LLC. Thank you for the opportunity to offer testimony in support of S.B. 50, Senate Draft 1 which modifies the renewable energy producer provisions of section 171-95 of the Hawaii Revised Statutes. This bill affects all who are engaged in agriculture, ranching and renewable energy and fuel now and for generations to come.

Hu Honua Bioenergy, LLC ("Hu Honua") is a renewable energy producer committed to production of "green" energy from renewable resources produced in Hawaii. Hu Honua has made a considerable investment to acquire the commercial electrical power generation facility at Pepeekeo, Hawaii. The facility was formerly operated as a biomass fueled power plant using sugarcane bagasse from the sugar mill and then later by C. Brewer as a coal fueled power plant. Hu Honua is presently refurbishing plant equipment and expects the plant to be operational by the fourth quarter of 2010. Hu Honua has eschewed the use of coal as a feedstock, in favor of returning the plant to operation as a biomass fueled facility.

In order to secure biomass that is renewable, Hu Honua is in the process of developing a sustainable biomass farming plan with the University of Hawaii and HARC and is pursuing land leases for the cultivation of appropriate biomass crops as feedstock for the electrical power generation facility. Throughout this process of identifying suitable land for a sustainable biomass crop we have been careful to make sure that we would have a viable farming plan prior to approaching the State for long term land leases. Hu Honua held its sustainable biomass farming conference in Hilo in mid November 2008 and is completing the final plan now with assistance from the academic and commercial farming community.

We were surprised to find recently that tens of thousands of acres of State land suitable for a biomass crop on the Island of Hawaii is being leased to two entities without a public process to identify other bioenergy companies that may be interested in pursuing that land.

Subsequently, we informed the BLNR Chair of our interest in pursuing State lands on the Island of Hawaii and are prepared to engage in negotiations for long term land leases. Having said this, Hu Honua will in no case participate in any process that would include the arbitrary removal of current State land lease holders. It has been our goal to work with ranchers, dairies and farmers to find solutions that are a win for all concerned.

In conclusion, Hu Honua supports the committee's efforts to amend the current law to create a level playing field for all bioenergy companies while preserving ultimately the idea of direct lease needed to expedite the process for time sensitive projects. We believe that this can be achieved by forgoing the current "first come, first served" approach in favor of a vetting process that includes public notice and the evaluation of each potential applicant's financial, technical and logistical capabilities and the projects overall chance for success. Weighed along with this should be the company's plan to work synergistically with existing farming, ranching dairy and other agriculture endeavors with respect to land and water use.

Thank you again for the opportunity to testify.

Sincerely,

Daniel KenKnight
Director, Hu Honua Bioenergy, LLC

Testimony for SB50 on 3/20/2009 10:00:00 AM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Thursday, March 19, 2009 7:56 AM

To: WLOtestimony

Cc: [REDACTED]

Attachments: SunFuels Testimony on Sena~1.pdf (283 KB)

Testimony for WLO/EEP 3/20/2009 10:00:00 AM SB50

Conference room: 325

Testifier position: oppose

Testifier will be present: No

Submitted by: Rory Flynn

Organization: SunFuels Hawaii LLC

Address: [REDACTED]

Phone: [REDACTED]

E-mail: [REDACTED]

Submitted on: 3/19/2009

Comments:

SunFuels Hawaii is not opposed to SB50 in its entirety but wishes to propose amendments to two subsections contained in the bill.



March 20, 2009

TO: Representative Hermina M. Morita, Chair, and Members of the Energy & Environmental Protection Committee
Representative Ken Ito, Chair, and Members of the Water, Land & Ocean Resources Committee

RE: S.B. 50, S.D. 1, RELATING TO RENEWABLE ENERGY PRODUCERS

SunFuels Hawaii LLC is a company now exploring opportunities to develop a biomass-to-liquid synthetic diesel fuel production facility on the Big Island, requiring substantial lands for long-term feedstock supply.

We wish to carefully delineate our opposition to a handful of provisions in S.B. 50, while endorsing the overall purpose of this bill as stated in Senate Standing Committee Report No. 452: "The purpose of this measure is to require the Board of Land and Natural Resources to conduct public hearings prior to awarding a lease of public land to a renewable energy producer."

We do oppose, however, two requirements proposed in S.B. 50. These are found in subsection (d)(2), requiring "evidence of the financial ability of the renewable energy producer to complete the project;" and subsection (d)(5) requiring "evidence that the renewable energy producer has relied upon securing private land to the fullest extent reasonable under the circumstances." Other energy firms including First Wind and Tradewinds Forest Products have expressed similar concerns about these requirements in testimony to Senate committees. We encourage your committees to fully consider the fatal – and likely unintended – consequences of these stipulations.

While we acknowledge that the state has a legitimate interest in awarding leases that lead to productive outcomes, a key premise of §171-95 is that direct negotiations between energy producers and the Land Board will facilitate obtaining lands for renewable energy enterprises. This is in accord with the state's worthy and ambitious goal of attaining 70% renewable energy by 2030. This is also an essential first business step for many projects. Lands and project sites must be secured before subsequent capital and business loans can be obtained enabling projects to move forward. An absolute standard of proof of financial ability *before* lands can be assembled for energy projects creates an untenable requirement in the real world of venture capital and project financing. We encourage your committees to amend this subsection (d)(2) as follows: "Description of financial plan and milestones for project financing." This would provide the Land Board and DLNR staff to track projects and reassess their viability as needed.

Additionally, we ask that your committees amend subsection (d)(5) as follows: "Description of landscape and acreage requirements, to include public and private lands." Here again, a simpler, less cumbersome standard is preferable. Negotiations for private lands may take considerable time or may ensue only after public lands are obtained. For some renewable energy projects involving wind, hydropower, biofuels, wave energy, solar photovoltaic or solar thermal technologies, public lands may offer the only available or advantageous project site(s). There is no compelling public interest in requiring energy producers to secure private lands any more, or less, than public lands. For purposes of appraising and understanding the scalable intent of an energy project, a description should suffice.

TESTIMONY: S.B. 50, S.D. 1, RELATING TO RENEWABLE ENERGY PRODUCERS

Energy & Environmental Protection Committee

Water, Land & Ocean Resources Committee

March 20, 2009

Page 2

On January 21, 2009 our company requested in writing that the Board of Land and Natural Resources “formally rescind its action (Item D-5, as amended) taken on November 14, 2008 to approve in principal the issuance of a direct lease to SunFuels Hawaii LLC for commercial forestry purposes on various TMKs in North Hilo and Hamakua, Hawaii.” In our letter to BLNR, we stated that “by withdrawing from an action affecting encumbered state lands and current lessees, it is our hope that the Legislature, the Board of Land and Natural Resources, and the Department of Business, Economic Development and Tourism can take a fresh look at the leasing process without taking a reactive stance to recent events.”

S.B. 50 is, in part, a reaction to events that we hope have been mitigated by our actions. We support the bill’s intent to assure better public notice and public participation in leasing decisions involving renewable energy projects. We hope that your committees endorse these principles without imposing unnecessary further conditions that will thwart a bright future for renewable energy in Hawaii.

We ask that your committees amend the requirements of subsections (d)(2) and (d)(5) in S.B. 50. We believe that specific statutory requirements for renewable energy producers may best proceed when the state’s Bioenergy Master Plan is completed and thoughtfully digested. To secure Hawaii’s energy future, we need a clear, comprehensive policy framework that is understood by the public and treats all business entities equally under the law.

Thank you for your consideration of these concerns and for the opportunity to provide comment.

Sincerely,



John Ray, General Manager
SunFuels Hawaii LLC

JR/rf

TESTIMONY OF: NORMAN MEDEIROS AND FAMILY
 ALFRED NOBRIGA (ALFRED NOBRIGA ENTERPRISES)
 ERNEST, MARIAN AND STEVEN DEULUZ (DELUZ RANCH)
 WAYNE BOTEILHO AND FAMILY (BOTEILHO HAWAII ENT.
 AND CLOVERLEAF DAIRY)
 KERRY SCHUMAN (S.C. RANCH)
 JASON AND JERI MONIZ (K.K. RANCH)
 BAHMAN SADEGHI (ISLAND DAIRY)

 BEFORE
 THE HOUSE COMMITTEE ON
 WATER, LAND AND OCEAN RESOURCES
 AND
 THE HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

 MARCH 20, 2009

 SENATE BILL 50 RELATING TO RENEWABLE ENERGY PRODUCERS

Chairperson Ito and Morita and Members of the Committees:

My name is Jason Moniz and I am testifying on the behalf of the livestock producers listed on this testimony. We support in principle Senate Bill 50 and request you consider some amendments we are offering. This testimony is being presented as a result of concerns we have for our agricultural businesses given the action taken by the BLNR in November 2008 to grant a lease in principle to Sunfuels Hawaii, State lands currently leased by or permitted to us for livestock production. **We believe Senate Bill 50 should clearly prevent the termination, or equivalent effect, of leases in agricultural production and in good standing.**

Collectively the potentially affected livestock operations produce 10% of the Big Island's beef cattle and 100% of the milk produced in the State. We fail to understand why one State mandate to produce renewable energy would potentially displace another for sustainable food production. Several of these livestock producers have personally been in the business for many decades where they have seen the effects of several wars and extended shipping stoppages and are very concerned over the inability of this State to produce its own food today.

It is our understanding that because of the tenuous state of the dairy industry, some of the lands initially requested for fuel production, that are currently in dairy production were removed from consideration for lease to Sunfuel's Hawaii by the BLNR. We also understand that Sunfuel's Hawaii has requested their approval to lease these lands in principle be rescinded. Nevertheless, we are concerned enough with this BLNR action and because several of us have already suffered significant economic damage to our agricultural businesses as a result of previous board actions resulting in the taking of significant portions of our leases without compensation, we request the following be considered as amendments to Senate Bill 50 or another bill if more appropriate:

We recommend that Senate Bill 50 include as an amendment to HRS §171-95 (d) (6) language that:

- not only prevents the termination of leases in compliance with lease terms, but also not allow the use of withdrawals and easements that significantly prevent existing lessees from continuing their normal operations
- prevents the placement of new conditions on lessees in good standings that cause negative economic impact to the lessee

Thank you again for the opportunity to testify and for any assistance you can provide to help us keep our agricultural businesses solvent so that we, in turn, can continue in our efforts toward the revitalization of Hawaii's food production

SB50



Sent: Wednesday, March 18, 2009 3:41 PM

To: WLOtestimony

I believe SB50 is essential for citizens of Hawaii to be notified and have access to public hearings regarding renewable energy contracts, BEFORE contracts are issued.

--

Carl Pinahs



Aloha,

Thank all of you for putting together this critical bill, as it is time for Hawai'i to relieve itself of the burden of importation of fossil fuels. I have some concerns regarding the bill in its current form.

Section 1. 171-95 a (6) : *"Waive or modify building and other requirements and conditions contained in deeds, patents, sales agreements, or leases held by the governments and agencies whenever [such] the waiver or modification is beneficial to the State."*

While intended to expedite the process, this section leaves the door wide open for drastic changes to public lands that may take the public by surprise. All such waivers must be viewed by the public FIRST.

Sec. 1 171-95 b (3): *"Disposition shall not be made to any public utility if the utility has suitable lands of its own"*

The emphasis here is too weak. The state is going into a real-estate meltdown and tracts of land purchased by speculators and deeply leveraged will become available. Thus the utility *must* attempt to purchase, lease or rent *private* lands first to help stabilize the economy and keep public lands free for purposes that may be preferred for the public.

Sec. 1 171-95 c (1): *"Any producer of electrical or thermal energy produced by wind, solar energy, hydropower, landfill gas, waste-to-energy, ocean thermal energy conversion, cold seawater, wave energy, biomass, including municipal solid waste, biofuels or fuels derived from organic sources, hydrogen fuels derived primarily from renewable energy, or fuel cells where the fuel is derived primarily from renewable sources that sell all of the net power produced from the demised premises to an electric utility company regulated under chapter 269 or that sells all of the thermal energy it produces to customers of district cooling systems; provided that up to twenty-five per cent of the power produced by a renewable energy producer and sold to the utility or to district cooling system customers may be derived from fossil fuels;"*

GREAT. I especially appreciate the distribution of thermal energy to district cooling systems as overuse and dependence of artificial air conditioning is our biggest problem.

Sec. 1 171-95 c (2) *"Any grower or producer of plant or animal materials used primarily for the production of biofuels or oth fuels; provided that nothing herein is intended to prevent the waste product or byproduct of the plant or animal material grown or produced for the production of biofuel, other fuels, electrical energy, or thermal energy, from being used for other useful purposes."*

Here is where I, as a rural Big Island landowner surrounded by good friends and neighbors who are also landowners, have an major issue. We DO NOT need public lands sold, leased or rented for this; we have literally thousands of acres over here available. We have been pushing for sustainable agriculture and renewable energy for decades. We got swept aside by a tsunami of greed and speculation. Well, that has come home to roost, and land is available, prices are dropping.

I have my land in reforestation and could us a renewable plant product contract. So could most of my neighbors.

I have also been on alternative power for 15 years, which leads me to my next and final point.

It is necessary for the public utility companies TO COME TO US for the excess power we are already generating. There are laws in place in several mainland states that require this action on the part of utilities. Instead of putting some expensive production facilities in place, FIRST require them to come to US, bring in poles and meters to US, to collect what we generate with solar, wind and hydroelectric. Right now neighbors are telling me that HELCO here on Hawai'i Island is refusing to buy power because they are already "getting too much" !!!! Since they are still purchasing fossil fuels shipped from the mainland, that is ridiculous! Only when we supply them with 100% of their needs can they tell us they cannot buy anymore.

The same will apply to rural Maui and Kauai, and some parts of rural Oahu.

Please adjust SB50 to reflect this reality, or enter another Bill requiring the utility companies to come to US, the rural 'pioneers', to get our excess power,

Mahalo nui loa for considering my testimony. Keep up the good work. Respectfully, Amy Dunn

~~_____~~