

TESTIMONY

SB 50

LATE

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To: Chairperson Clayton Hee
Senate Committee on Water, Land, Agriculture and
Hawaiian Affairs

Chairperson Mike Gabbard
Senate Committee on Energy and Environment

From: Daniel KenKnight
Director, Hu Honua Bioenergy, LLC

Date: Friday, January 30th, 2009
Time: 2:45 p.m.
Place: Conference Room 229
State Capitol
415 South Beretania Street

Re: Testimony in support of Senate Bill 50

Dear Chairperson Hee, Chairperson Gabbard, members of the Senate Committee on Water, Land, Agriculture, and Hawaiian Affairs and members of the Senate Committee on Energy and Environment,

My name is Daniel KenKnight, Director, Hu Honua Bioenergy, LLC. Thank you for the opportunity to offer testimony in support of S.B. 50 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

LATE

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

The Twenty-Fifth Legislature
Regular Session of 2009

LATE

THE SENATE

Committee on Water, Land, Agriculture, and Hawaiian Affairs

Senator Clayton Hee, Chair

Senator Jill N. Tokuda, Vice Chair

Committee on Energy and Environment

Senator Mike Gabbard, Chair

Senator J. Kalani English, Vice Chair

State Capitol, Conference Room 229

Friday, January 30, 2009; 2:45 p.m.

**STATEMENT OF THE ILWU LOCAL 142 ON S.B. 50
RELATING TO RENEWABLE ENERGY PRODUCERS**

The ILWU Local 142 supports S.B. 50, which requires the Board of Land and Natural Resources to conduct public hearings prior to awarding a lease of public land to a renewable energy producer.

Like the rest of the country and the world, Hawaii is seeking to limit the use of fossil fuels that are limited and costly and move toward developing renewable energy resources. The ILWU strongly supports this endeavor, in part because it is the environmentally responsible thing to do but also because it will help Hawaii become more self-sufficient and generate jobs in rural areas where they are most needed.

S.B. 50 provides for public hearings to notify the public, including current lessees of the land proposed for renewable energy production and any other interested potential lessees, about the proposed leases and allow them the opportunity to offer comment, thereby providing for transparency of the process of issuing leases. Holding public hearings in the county where the land is to be leased will help to ensure that those in the community most impacted can participate and provide input on the proposals.

While it is appropriate that public policy supports alternate energy options and allows for renewable energy production, the State should encourage any and all interested entities and ensure a level playing field for all.

The ILWU urges passage of S.B. 50. Thank you for the opportunity to provide testimony on this measure.

Julie Stowell

Comments

From: Julie Stowell [lomikai@hawaii.rr.com]
Sent: Thursday, January 29, 2009 10:45 PM
To: WTLTestimony
Subject: re: Senate Bill 50

Re: Senate Bill 50

LATE TESTIMONY

While I applaud the efforts of the senator to include the public, it seems the public is not included in the decision making process, but rather as part of an information out campaign.

We should construct our process so that those who live and work in a community have some measure of control over their resources and the direction of development.

The disposition of the Ceded Hawaiian Lands (public lands) and the Governor and DLNR's disregard for the public's right and the very real social justice issues that are being ignored are symptomatic of the ills of our State.

Let us hope this is the beginning of responsible dialogue aimed at better governance. Let us hope the legislature restores again the public to it's rightful place in the decision making process.

Mahalo for your time and patience.

Julie Stowell

The Twenty-Fifth Legislature
Regular Session of 2009

Supports

THE SENATE

Committee on Water, Land, Agriculture, and Hawaiian Affairs

Senator Clayton Hee, Chair

Senator Jill N. Tokuda, Vice Chair

Committee on Energy and Environment

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State Capitol, Conference Room 229

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The ILWU urges passage of S.B. 50. Thank you for the opportunity to provide testimony on this measure.

From: Wally Andrade [walman1@hawaii.rr.com]
Sent: Friday, January 30, 2009 8:49 AM
To: WTLTestimony
Subject: Testimony on SB 50

LATE

Please add to the submittal requirement from Energy Producers applying to lease state lands...

1. A comprehensive Environmental Management Plan be submitted along with the other documents listed in SB 50 section 28.5
2. A cross analysis of the County of Hawaii's "Important Agricultural Lands" (IAL) Study and the requested leased lands be conducted to determine if Biomass is highest and best use for the IAL.
3. A cross analysis of the ceded lands and the requested leased lands be conducted to mitigate that issue.

Here is my opinion on Biomass development in the Hamakua region.

I fully acknowledge and support the move towards energy security and fossil fuel independence. I understand the need to diversify the type of IPP's supplying energy to the grid. However I believe the current decision making process is a recipe for disaster.

Repeal the laws allowing DLNR to negotiate direct leases. Reinstate the RFP and public opinion process as well as increase the transparency of the whole process.

1. DLNR and DBEDT are under qualified to choose a proper technology, develop selection criteria or evaluate a proposal.
2. DLNR and DBEDT are moving too quickly to get a Biomass producer in place under the current administration.
3. Geothermal has the capacity, ability, desire and proven expertise to double their 30MW input under their current permit. It doesn't require thousands of acres of agricultural lands.
4. Hamakua lands should be reserved to address the Hawaii Food Security Issue. Using Hamakua Lands for food production will create more jobs, more economic security and tax revenues while being less intensive and destructive to the environment.
5. We do need to produce liquid fuels to offset oil imports and those Biomass processes can be done using cellulose synthesis of grasses and other benign feedstocks. Eucalyptus is very destructive to the soils and environment in general and should be avoided.

We have a chance here to get it right.

Aloha nui,



Walter Andrade
44-3068 Ho'o Kahua Rd.
Kalopa, HI
(808) 937-8599 cell
(808) 322-3520 fax
walman1@hawaii.rr.com

From: Carl Pinahs [cgpinahs@gmail.com]
Sent: Friday, January 30, 2009 9:34 AM
To: WTLTestimony
Subject: Re: Land Leases

individual

LATE TESTIMONY

I am in favor of Senate Bill 50. Mahalo

On 1/30/09, **WTLTestimony** <WTLTestimony@capitol.hawaii.gov> wrote:

Dear Mr. Pinahs,

Please let us know the bill number your testimony is for so we may include it in our hearing files. Also inform us if it is in support or in opposition to the bill.

Thank you.

From: Carl Pinahs [mailto:cgpinahs@gmail.com]
Sent: Thursday, January 29, 2009 7:04 PM
To: WTLTestimony
Subject: Land Leases

To Whom it may concern:

It is imperative that all and any leases of Hawaiian land be reviewed by the public.

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Carl Pinahs
P.O. Box 434
Paauilo, HI 96776
808-775-9013 home
808-640-9220 cell

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Carl Pinahs
P.O. Box 434
Paauilo, HI 96776
808-775-9013 home
808-640-9220 cell

Jan 29, 2009

Re: Biofuel plants for the Hamakua Coast/ state land leases

Elected officials, and state staff:

My gut reaction is that I oppose burning of trees. However I am far from being locked into that camp. I simply don't know enough yet. I would like to know more, and with more time – I will. I know there are also many others that don't know enough, or have been fed the wrong information.

The whole DLNR land lease debacle is quite unfortunate – I think the woman that leads it did a fine job in her presentation at the Honokaa Theater – but misinformation preceded her & everyone is convinced that all the people in state government are cannibals. I think it is entirely appropriate for the DLNR to do an initial vetting without public involvement – but when word was spread that a deal had already been signed – well, you've heard about the blood on the wall – and you are probably aware of the groundswell heading your way. If election/ re-election is on anybody's mind – kill this like a rabid cockroach. If you want to get a few people to a community meeting, use the word 'sustainable' in the notice - but if you use the word 'biofuel', you'd better have traffic cops in place.

As I understand it, the Hamakua coast is the only big island region without a Community Development Plan (CDP) – and I think it is an IMPORATANT document to have as this whole concept is considered. As a group we do not really understand what we are, or could be, or what the future is likely to bring.

So what I am proposing is more time. Time to create the CDP, time to cleanse the misinformation, and time to understand the sundry proposals, and time to figure out what is right for this coast. I propose that the whole thing be paused until the CDP is complete – that will allow all of the other activities to happen concurrently.

Bruce Mosher
43-2000 Paauilo Mauka Rd
Paauilo, HI 96776
(808) 345-8143

LATE TESTIMONY

SB50
Support

Jill Andrade-Mattos

Bill: SB50
Hearing Date: Jan. 30, 2009 @ 2:45 PM
Committee WTL-ENE in conference room 229

LATE TESTIMONY

Supports
w/ amendments

Senator Clayton Hee;
Committee on Water, Land, Agriculture and Hawaiian Affairs

Chair Hee & Members of the Committee.

My name is Jill Andrade-Mattos; I am a fourth generation Meat Processor and Rancher. I am also the General Manager for Hawaii Beef Producers LLC.

"Support SB50 with amendments"

As a livestock producer on the Big Island I understand the need for affordable ag land & diversification but we should not be forced into renewable energy unless it benefits our business plan. The BLNR should not have the authority to change or enter into negotiations when the land under discussion is currently under a long term lease.

All of Hawaii's Ag producers need affordable land, feedstocks, fertilizer & water. We don't need is competitive bidding for land that we have no ability to out bid, there must be a fair system to make the ground more equitable for food producers to keep their land. We are under constant competition for our land from a variety of sources such as residential development, conservation & now renewable energy, what's next? How long can we stay in business and compete without your support?

Livestock production takes a critical mass, if we lose our core producers we lose that critical mass; the land involved in the Sun Fuels Hawaii issue is today and has been under long term lease to producers who are part of our core producers; this bill attempts to alleviate the situation created. We need every livestock producer we have! Were lucky on the Big Island we have a dairy and an egg farm and the majority of the States livestock production! These products help us to be sustainable; we feed are family from them. We can't eat biofuel crops or trees. We respectfully ask that you consider the following amendments;

- 1. Prevents the termination of leases in compliance with lease terms, but also shall not allow the use of withdrawals and easements to prevent existing lessees from continuing their normal operations.*
- 2. Prevents the placement of new conditions on lessees in good standings that may cause a negative economic impact to the lessee.*
- 3. Provides authority to the BLNR & HDOA to allow lessees in good standing to negotiate subleases that are in compliance with HRS §171-95 with renewable energy companies for co-use of pastoral and other agriculture leases, by where there is no net overall loss of food production in favor of the renewable energy production*
- 4. Provide clear & strong language that deters renewable energy companies from using State Land for speculative or venture capital purposes and prohibits "Blue Sky" profits.*

Thank you for the opportunity to submit testimony on this issue.

Respectfully,


Bill Andrade-Mattos



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RL:2215

SB 50
RELATING TO RENEWABLE ENERGY PRODUCERS

Senate Committee on Water, Land Agriculture and Hawaiian Affairs
Senate Committee on Energy and Environment

Joint Public Hearing – January 30, 2009
2:45 p.m., State Capitol, Conference Room 229

By
Peter Rappa, Environmental Center

supports

SB 50 requires that the Board of Land and Natural Resources (BLNR) conduct public hearings prior to awarding a lease of public land to a renewable energy producer. We emphasize that our testimony on this measure does not represent an official position of the University of Hawaii.

We favor the requirement for public hearings when major state and county actions are being conducted. Public hearings allow for increased citizen participation as well as the participation of interested parties on important decision such as the leasing of state lands for renewable energy. Adding transparency to the leasing of land for renewable energy projects will foster greater trust in government decisionmaking by the public. The benefits of having an open process outweigh the cost of delaying the awarding of leases and implementation of renewable energy projects. It will help avoid the problems that have arisen in the BLNR's leases of acres of land along the Hamakua coast of the Big Island for renewable energy projects.

Thank you for the opportunity to comment on this bill.

From: Raquel Dow [raqueldow@gmail.com]
Sent: Friday, January 30, 2009 10:21 AM
To: WTLTestimony
Subject: state land lease testimony

Individual Support

Senator Takemine -

Thank you for the invitation to provide testimony regarding the state land lease legislation. I apologize for sending this so late; however, I just received the notice on the 29th.

I am a resident of Pepe'ekeo Point Shoreline, one of the recently approved subdivisions adjacent to the old Pepe'ekeo Power Plant that Hu Honua proposes to restart. However, my concerns about the state land lease legislation derive not just from my proximity to the Hu Honua project but to the rush to burn biomass throughout the Island. These concerns can be summarized as follows:

- Any power plant burning biomass, even a state-of-the-art facility, will produce pollution which can be expected to jeopardize the health of our citizens, especially young children growing up breathing contaminated air. Hu Honua's representatives admit that nitrous oxide emissions, although invisible, will be greater than those emitted in the coal burning days when sooty particulates covered the landscape. Our island already must contend with vog or emissions from the volcano as well as unregulated emissions from motor vehicles. We should be wary of burning anything more.

- Legislation which attempts to facilitate the creation of biomass plants encourages businesses to rush to this form of energy production rather than utilizing the cleaner renewable resources such as geothermal, wind and solar, all of which are abundant in the Hawaiian Islands. A 2006 study "Hawaii County Baseline Energy Analysis" completed by Yale University and sponsored by the Kohala Center, Kamuela, Hawaii, evaluates the various renewable energy technologies and their potential to meet the Island's needs. The study states, in part: Most importantly, according to our calculations, there is easily enough economic potential for renewable sources to satisfy all of the island's electricity needs for the near future.... Indeed, geothermal alone would be able to meet this need." http://co.hawaii.hi.us/rd/hawaii_county_baseline_energ.pdf

I appreciate the opportunity to provide testimony on this important piece of legislation. State land leases can tie up land and influence the direction of development for fifty years or more. It is important that the legislature consider the best way to meet the islands' energy needs in the long term as opposed to short term solutions which have the potential to cause more harm than good.

Thank you.

Raquel Dow
28-250 Kauina Road
Pepe'ekeo, HI 96783

From: India Clark [indiadawn@gmail.com]
Sent: Friday, January 30, 2009 12:24 PM
To: WTLTestimony
Subject: Testimony for Senate Bill 50

*Support
individual*

Re: Senate Bill 50

I am writing with concern for the loss of community decision-making power regarding the Governor and BLNR's decisions to grant private leases and land rights for Ceded Hawaiian Lands (public lands) along the Hamakua coast. The determination for the use of the land should be part of a community discussion and decision-making process.

As a graduate of UH Department of Urban and Regional Planning program, we were taught that there is a wide spectrum of ways public involvement is solicited. Some methods are only meant to inform the public of plans already made, they do not provide any mechanisms for involving the community in the planning process.

I request that a process is constructed to give the community decision-making power within the planning process for leasing of Hamakua public lands. They should also have an opportunity to decide what activities are permitted as part of the lease (i.e. the right to construct a bio-diesel farm on lease land should be a decision that is open to the public).

Let us hope the legislature restores again the public to its rightful place in the decision making process.

Mahalo for your time and patience.

India Clark
808-284-0305

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From: Diane Ware [volcanogetaway@yahoo.com]
Sent: Friday, January 30, 2009 12:26 PM
To: WTLTestimony
Subject: Senate Bill 50 in support

Aloha Kakou,

individual

I am from the Big island and have spoken to many citizens concerned about the leasing of lands by DLNR to biofuel energy companies especially since every situation will be different in location, crops to be grown and on site infrastructure.

Sincerely,

Diane Ware
Kalani Gardens
808-967-8642



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RL:2215

SB 50
RELATING TO RENEWABLE ENERGY PRODUCERS

Senate Committee on Water, Land Agriculture and Hawaiian Affairs
Senate Committee on Energy and Environment

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(END)