Sierra Club
Hawai'i Chapter
PO Box 2577, Honolulu, HI 96803
808.537.9019 hawaii.chapter@sierraclub.org

SENATE COMMITTEE ON ENERGY AND ENVIRONMENT
February 5, 2009, 4:15 P.M.

(Testimony is 1 page long)

TESTIMONY IN SUPPORT OF HB 1843

Chair Morita and members of the Committee:

The Sierra Club, Hawaii Chapter, with 5500 dues paying members statewide, supports HB 1843, establishing comprehensive measures for increasing the production and use of renewable energy in the State. Hawaii's state policy should reflect our preferred choice of clean, indigenous, renewable sources of electricity. Moreover, energy efficiency -- a wonderful concept -- should be encouraged independently of our efforts to develop renewable energy.

Hawaii is the most dependent state in the nation on imported oil. Some 50 million barrels are imported annually, nearly 80% of which originate from foreign sources. In addition, over 805,000 tons of coal are imported into our state. These sources provide power for over 92% of Hawaii's electricity generation. The combustion of these resources also contributes over 23 million tons of climate changing greenhouse gas into our atmosphere annually.

Hawaii's economic, environmental, and energy security demand that we reduce the amount of fossil fuel imported and consumed in Hawaii. This bill is a solid step in that direction.

Thank you for this opportunity to provide testimony.

blue planet FOUNDATION

HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION
February 5th, 2008, 9:00 A.M.
Room 325

(Testimony is 3 pages long)

TESTIMONY IN STRONG SUPPORT OF HB 1843

Chair Morita and members of the committee:

The Blue Planet Foundation strongly supports House Bill 1843, establishing comprehensive measures for increasing the production and use of renewable energy in Hawai'i.

Hawai'i is the most dependent state in the nation on imported oil. Some 50 million barrels are imported annually, nearly 80% of which originate from foreign sources[1]. In addition, over 805,000 tons of coal are imported into our state[2]. These sources provide power for over 92% of Hawai'i's electricity generation. The combustion of these resources also contributes over 23 million tons of climate changing greenhouse gas into our atmosphere annually[3]. Hawai'i's economic, environmental, and energy security demand that we reduce the amount of fossil fuel imported and consumed in Hawai'i. To that end, new policies are critically needed that will dramatically increase energy efficiency, build our smart energy infrastructure with storage, and develop clean, renewable, and indigenous energy sources.

The first part of HB 1843 redefines and increases Hawai'i's existing renewable portfolio standards. Blue Planet strongly supports this policy in conjunction with the energy efficiency portfolio standards contemplated by another measures pending before this committee. We believe that this percentage is not only achievable, but required given the new realities of fossil fuel prices and global climate change.

The original intent of the bill that became Act 95 in 2004 was to set Hawai'i down the path of producing more renewable power. Unfortunately, the "standard" enacted falls far short. The Act left major loopholes that would allow Hawai'i's utilities to meet the standards without ever siting a new renewable power facility.

The State of Hawaii Data Book, 2007
Ibid.
ICF International. Inventory of Greenhouse Gas Emissions and Sinks in Hawaii: 1990 and 2007. December 2008.

Jeff Mikulina, executive director • jeff@blueplanetfoundation.org

While Act 95 has been called a Renewable Portfolio Standard (RPS), it would be more accurate to call it an "Efficiency Portfolio Standard." House Bill 1843 will create a true RPS to drive the state clean energy market. While striving to increase the amount of energy conservation in Hawai`i should remain a key component to the State energy strategy, a policy to incrementally increase the amount of clean, indigenous energy generated within the state will increase Hawaii economic security and self-sufficiency and reduce the impact of electricity production on our environment.

A true RPS would contain the following elements:

- RPS targets must be achieved only by electricity produced from renewable energy resources, and repeal the definition of energy efficiency gains as renewable resources for the purpose of the RPS;
- Eliminate "off-ramps" for failure to meet the standards; and
- Establish penalties for utilities' non-attainment of RPS target.

Finally, while we appreciate the increased RPS levels set by HB 1843, Blue Planet believes Hawaii can be much more aggressive at increasing clean energy use. We suggest that HB 1843 be amended to contain the following RPS levels:

- 20% of net electricity sales by 2015;
- 30% by 2020;
- 40% by 2025; and
- 50% by 2030.

Setting an aggressive, clear energy efficiency standard and high renewable portfolio standard will mobilize the whole state to move towards our preferred energy future.

Included in Section 2 of HB 1843 is a prohibition of the addition or expansion of any new fossil fuel burning facilities for electricity generation. Fossil fuels are simply not part of Hawaii clean energy future. Hawaii state policy should reflect our preferred energy future powered by clean, indigenous, renewable sources of electricity.

To be clear, HB 1843 is not a prohibition on existing fossil fuel electricity generating facilities; it is prospective in nature, only addressing future projects. It also allows the public utilities commission to grant permits for a fossil fuel facility in extraordinary circumstances—an exemption that can be revisited by the legislature in the future as more capable storage technologies come online or indigenous biofuel sources become more readily available.

Blue Planet Foundation is committed to creating Hawaii clean energy future. Our goal is making Hawaii energy independent by 2020. New fossil fuel facilities play no role in Hawaii clean energy future.

Parts 2 and 3 of HB 1843 clarify and further define the duties and responsibilities of the state energy office. We view these parts of HB 1843 as relatively straightforward housekeeping amendments that provide more depth in defining the duties of the increasingly important energy office.

Blue Planet believes, however, that it may be time to consider elevating the level of energy planning and implementation in Hawaii. If we are serious about ending our addiction to fossil fuel and seek to be powered by 100% clean, renewable, and indigenous sources, the government office charged with guiding the transition deserves greater standing and funding within state government. We would support the creation of a state Hawaii Energy Security Authority (HESA), something akin to the existing Hawaii Tourism Authority (HTA). HESA would be a stand-along entity, tasked with all aspects of planning, permitting, and implementation of Hawaii's clean energy future. The Authority would be funded solely from a fee on each barrel of oil imported into the state; as dependency on oil decreases, so does the work of the Authority, and the budget decreases accordingly. Given Hawaii's energy independence the status, funding, and prioritization it deserves would help ensure that we achieve our clean energy goals.

Nonetheless, the simple changes in parts 2 and 3 of HB 1843 are supported as an interim step.

Parts 4 and 5 of HB 1843 expand the types of projects that the renewable energy facilitator is asked to address and further defines the facilitation process. Blue Planet generally supports the intent of these parts.

Thank you for the opportunity to testify.