



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**

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Bill No. 2324

Support  Y  N

Date 2/1

Time 9:12

Cat AF  AS  AX  BC

Type  1  2  WI

Statement of  
**THEODORE E. LIU**  
**Director**  
Department of Business, Economic Development, and Tourism  
before the  
**HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION**  
Thursday, February 4, 2010  
10:00 AM  
State Capitol, Conference Room 325

in consideration of  
**HB 2324**  
**RELATING TO RENEWABLE ENERGY.**

Chair Morita, Vice Chair Coffman, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) supports the intent of HB 2324, which would modify the statutory renewable portfolio standards under section 269-92, Hawaii Revised Statutes, but prefers the language and approach proposed in the Administration measure, HB 2518.

The Administration measure, HB 2518, would require that 2% of net electricity be obtained from Hawaii's agricultural producers. This is more than is specified in HB 2324, which only requires 2% of the renewable portfolio standard amount to be obtained from Hawaii's agricultural producers.

Therefore, HB 2518 is recommended to more quickly provide agricultural producers with the benefits of electricity production contracts; support food and energy security; provide economic diversification; and keep dollars circulating within Hawaii's economy.

We would also recommend that, for accuracy, the bill description be modified; neither of these measures specifies that the electricity generation has to be from biofuels.

Thank you for the opportunity to offer these comments.

LINDA LINGLE  
Governor



State of Hawaii  
DEPARTMENT OF AGRICULTURE  
1428 South King Street  
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SANDRA LEE KUNIMOTO  
Chairperson, Board of Agriculture

DUANE K. OKAMOTO  
Deputy to the Chairperson

WRITTEN TESTIMONY OF SANDRA LEE KUNIMOTO  
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON  
ENERGY & ENVIRONMENTAL PROTECTION  
AND  
AGRICULTURE  
THURSDAY, FEBRUARY 4,, 2010  
10:00 A.M.  
ROOM 325

HOUSE BILL NO. 2324  
RELATING TO RENEWABLE ENERGY

Bill No. 2324

Support Y N

Date 2/11

Time 1015

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Type 1 2 WI

Chairpersons Morita and Tsuji and Members of the Committee:

The purpose of this bill is to require that by 2015, a minimum of two percent of each utility's renewable portfolio standard be from biofuel or from agricultural producers. The Hawaii Department of Agriculture. (HDOA) offers comments.

HDOA is a strong supporter of the State's energy diversification efforts and appreciates the intent of this bill to establish a minimum use of agricultural products for electrical energy production. However, we question the need to limit the source of agricultural feedstock to commercial agricultural enterprises that produce more than one million pounds of products or commodities per year. There are a limited number of commercial agricultural enterprises in Hawaii who can meet this level of production and it would be more beneficial, in our view, to encourage production from a number of different sources. Allowing the marketplace to determine the suppliers through competition fosters innovation, job creation, and lower costs.

Thank you for the opportunity to testify.

**Testimony before the  
House Committees on  
Energy & Environmental Protection  
and  
Agriculture  
H.B. 2324 -- Relating Renewable Energy  
Thursday, February 4, 2010**

**10:00 am, Conference Room 325**

**By Arthur Seki  
Director, Renewable Technology  
Hawaiian Electric Company, Inc.**

Bill No. 2324  
Support Y  N  
Date 2/2  
Time 948  
Cat AF AS AX   
Type  2 WI

Chairs Morita and Tsuji, Vice-Chairs Coffman and Wooley and Members of the Committees:

My name is Arthur Seki. I am the Director of Renewable Technology for Hawaiian Electric Company. I am testifying on behalf of Hawaiian Electric Company (HECO) and its subsidiary utilities, Maui Electric Company (MECO) and Hawaii Electric Light Company (HELCO), hereby referred to collectively as the HECO Utilities.

The HECO Utilities are committed to exploring and using agricultural energy (biofuels) in its existing and planned generating units. The use of biomass and biofuels can reduce the State's dependence on imported oil and increase the amount of renewable energy from sustainable resources. This commitment by the HECO Utilities is demonstrated by the following initiatives:

- Purchases 12 MW of bagasse-fired electrical generation from HC&S sugar mill in Puunene, Maui;
- Installed a 113 MW power plant in 2009 at Campbell Industrial Park to be 100% biofueled;
- Signed a 5 MW power purchase contract for waste biomass-fired electrical generation from a plywood veneer facility on the Big Island;

- Negotiating new contract for a biomass to electricity facility on the Big Island;
- Tested biodiesel in its diesel engines and combustion turbine at MECO's Maalaea power plant and planning to conduct further tests;
- Planning for a 30-day test at Kahe 3 biofuel co-firing demonstration in a steam boiler generating unit for late 2010;
- Provided 3 years of seed funding to the Hawaii Agriculture Research Center ("HARC") and the agriculture departments at the University of Hawaii's Manoa and Hilo campuses to conduct biofuel crop research with a 4<sup>th</sup> year of funding to follow this year; and
- Evaluating micro-algae for biofuels production using power plant emissions.

The HECO Utilities strongly support agricultural energy. However, H.B. 2324, which calls for a 2% agricultural energy renewable portfolio standard ("RPS") to be met by the end of 2014, is inflexible and not dependent on whether 2% agricultural energy is even available. If the Legislature chooses to pursue this path, we would recommend that an availability requirement be included.

Thank you for the opportunity to present this testimony.