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Hawaii Solar Energy Association
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Senate
COMITTEEE ON ENERGY AND ENVIRONMENT

Mark Duda
President

SB2357

TESTIMONY IN SUPPORT
WITH A PROPOSED AMMENDMENT

Aloha Chair Gabbard, Vice Chair English, and Members of the Committee,

The Hawaii Solar Energy Association supports SB2357, with an amendment to the proposed portfolio standards of 25% by 2020, 40% by 2030 in the measure. HSEA suggests that the portfolio standards in SB2357 be amended to reflect public statements by The Gas Company about the pace of their renewable energy transition, which appears to be much more rapid than that envisioned by this measure.

Specifically, The Gas Company appears to have put itself on a path to reach to 50% renewable by 2015 (see attached article from Honolulu Advertiser (Nov. 22, 2009)). The Gas Company has gone on record with similar claims, testifying in 2009 that it was "developing a renewable energy strategy to produce 50 percent of its supply from renewable resources such as landfill gas and bio-methane within five years."[1]

With thousands of customers statewide, it is obvious that the Gas Company's practices have had and will continue to have a significant impact on Hawaii's energy industry. Amending the proposed portfolio standards to reflect goals that the Gas Company has already publicly set for itself will ensure Hawaii stays in the forefront of the renewable energy.

Thank you for the opportunity to testify on this measure.

Mark Duda
President, Hawaii Solar Energy Association

About Hawaii Solar Energy Association
Hawaii Solar Energy Association (HSEA) is comprised of installers, distributors, manufacturers and financers of solar energy systems, both hot water and PV, most of which are Hawaii based, owned and operated. Our primary goals are: (1) to further solar energy and related arts, sciences and technologies with concern for the ecologic, social and economic fabric of the area; (2) to encourage the widespread utilization of solar equipment as a means of lowering the cost of energy to the American public, to help stabilize our economy, to develop independence from fossil fuel and thereby reduce carbon emissions that contribute to climate change; (3) to establish, foster and advance the usefulness of the members, and their various products and services related to the economic applications of the conversion of solar energy for various useful purposes; and (4) to cooperate in, and contribute toward, the enhancement of widespread understanding of the various applications of solar energy conversion in order to increase their usefulness to society.

[1] Testimony of Jeffrey Kissel, February 5, 2009 regarding SB 1348.

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From the Honolulu Advertiser

NOVEMBER 22, 2009 GAS COMPANY SETS PLANS TO TURN FAT INTO FUEL

— Animal byproducts seen as green energy source —

By Greg Wiles Advertiser Staff Writer

Hawai'i's sole producer of synthetic natural gas is turning to the barnyard as it looks to go greener with renewable fuel sources.

The Gas Company is eyeing animal fats — some of it being tossed into landfills now — as a means to produce half of its synthetic natural gas by the year 2015.

It's drawn up plans to turn fats such as beef tallow, poultry fat and choice white grease from pigs into biomethane, a gas that's chemically identical to natural gas. Currently the company uses petroleum byproducts from local refineries for its feedstock.

"We hope to in five years be about 50 percent renewables in our system," said Jeffrey Kissel, president and chief executive officer of the Honolulu-based company.

"As we ramp up, I hope we create demand for local production so we can buy the majority of our material from local resources."

Already, 5 percent of the company's production at its Campbell Industrial Park plant is from agricultural feedstocks, with Kissel setting a goal of boosting it to 15 percent by the end of March.

By the end of the year, he wants 1 million gallons of the 20 million to 25 million gallons of feedstock used annually to be from renewable resources.

The effort is in keeping with goals by the state of weaning itself off petroleum for economic and security reasons. Oil accounts for almost 90 percent of all energy consumed in Hawai'i, making the state more dependent on imported petroleum than anywhere in the country. Three-quarters of the state's electricity is generated using oil as a fuel.

The problems with this addiction were apparent last year when crude oil spiked to $147 a barrel in July 2008, sending Hawai'i's nation-leading gasoline and electricity prices to record highs. The oil shock drove home an already stated goal by Gov. Linda

Lingle of converting Hawai'i into a renewable energy model for others to emulate. Lingle set a target of having 70 percent of the state's energy come from renewables by 2030. Hawai'i's electric utilities have signed on to the effort, while there's been a jump in interest in solar photovoltaics, wind energy and geothermal endeavors. Not-so-well-known alternate energy technologies such as wave power and ocean thermal

energy conversion are also receiving serious consideration.

"We need to create an energy system that will survive," said Ted Peck, state energy administrator.

"It makes sense from an energy security standpoint. At $75 a barrel it makes sense from a business standpoint."

From: http://www.hawaiigas.com/about/index.html

The Gas Company provides gas energy to consumers, business and government throughout the state of Hawaii — Oahu, Maui, Hawaii, Kauai, Molokai and Lanai. We make synthetic natural gas (SNG) from byproducts of imported petroleum that is refined for use in Hawaii. The Gas Company supplies SNG through a 1,100-mile pipeline network to over 28,000 commercial and residential utility customers. We supply liquefied petroleum gas (LPG or propane) imported or refined in Hawaii to more than 40,000 commercial and residential utility and non-utility customers statewide. Where possible, we create mini-utility pipeline networks powered by propane for clusters of customers, while others are served by regular delivery of propane to onsite tanks. We serve every community on the six major Hawaiian islands with the lowest cost fuel for water heating, cooking and clothes drying. Using gas for heat energy makes most sense. It is cleaner, cheaper, more efficient and more reliable. Next to the sun itself, gas is the smartest and best source of heat energy in and for Hawaii. Our carbon footprint is 40 percent that of electricity on an energy equivalent basis. And we are planning to reduce that even further through the use of renewable and sustainable fuels. This will also reduce The Gas Company's nearly 100-percent dependence on foreign oil. We are more than 300 energy professionals working daily to ensure that our customers — large and small — get reliable gas energy for all their heating needs, without interruption.