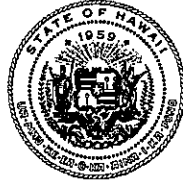


**SB 453**



LINDA LINGLE  
GOVERNOR  
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LT. GOVERNOR

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LAWRENCE M. REIFURTH  
DIRECTOR  
RONALD BOYER  
DEPUTY DIRECTOR

TO THE SENATE COMMITTEE ON ENERGY AND ENVIRONMENT

THE TWENTY-FIFTH LEGISLATURE  
REGULAR SESSION OF 2009

TUESDAY, FEBRUARY 10, 2009  
3:45 P.M.

TESTIMONY OF CATHERINE P. AWAKUNI, EXECUTIVE DIRECTOR, DIVISION OF  
CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER  
AFFAIRS TO THE HONORABLE SENATOR GABBARD, CHAIR, AND MEMBERS OF  
THE COMMITTEE

**SENATE BILL NO. 0453 – RELATING TO THE CONSUMER ADVOCATE.**

**DESCRIPTION:**

This measure requires the Consumer Advocate to advocate for the increased use of renewable energy sources in the provision of public utilities.

**POSITION:**

The Division of Consumer Advocacy ("Consumer Advocate") supports the intent of the measure and offers comments for the Committee's consideration.

**COMMENTS:**

The future of Hawaii requires that we move more irreversibly away from imported fossil fuel for energy and toward indigenously produced renewable energy and an ethic of energy efficiency. The very future of our land, our economy and our quality of life is at risk if we do not make this move and we do so for the future of Hawaii and of the generations to come. Because the Consumer Advocate believes that this significant shift in focus is necessary, the Consumer Advocate negotiated with the State and the HECO Companies and reached a voluntary agreement within the Hawaii Clean Energy Initiative ("HCEI Agreement"), which sets forth the path for achieving the goal of 70 percent clean energy use for the State by 2030. As evidenced by the HCEI

S.B. No. 0453  
Senate Committee on Energy and Environment  
Tuesday, February 10, 2009, 3:45 P.M.  
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Agreement, the Consumer Advocate can and has advocated for greater use of renewable energy resources.

If this measure is passed, some portions of State law may need to be harmonized to ensure that the positions advocated by the Consumer Advocate will comport with State law and will be positions that can be taken by the Hawaii Public Utilities Commission. In particular, this measure may conflict with Hawaii Revised Statutes section 269-27.2(c).

Thank you for this opportunity to testify.

**SB 453  
RELATING TO THE CONSUMER ADVOCATE**

**PAUL T. OSHIRO  
MANAGER – GOVERNMENT RELATIONS  
ALEXANDER & BALDWIN, INC.**

**FEBRUARY 10, 2009**

Chair Gabbard and Members of the Senate Committee on Energy &  
Environment:

I am Paul Oshiro, testifying on behalf of Alexander & Baldwin, Inc. (A&B) and its agricultural company Hawaiian Commercial & Sugar Company on SB 453, "A BILL FOR AN ACT RELATING TO THE CONSUMER ADVOCATE."

Hawaiian Commercial & Sugar Company (HC&S) has been in operation for over 125 years. While Hawaii's many other sugar companies have shut down over the years, HC&S has been fortunate, through significant investments in our agricultural infrastructure and operations and the implementation of our diversified bio-production program, to have sustained our operations and continue as a major employer in the State of Hawaii. Today, as we face increasingly lower margins from raw sugar production because of flat commodity prices along with increasing production costs, HC&S is in the process of transitioning from a primary producer of commodity sugar into the production of specialty sugar and bio-based products. In addition to being the sole supplier of Sugar In The Raw, the little brown packets of sugar seen at restaurants and coffee shops across the nation, HC&S is also expanding production of our specialty Maui Brand Sugar.

In addition, HC&S generates biomass produced electricity for its sugar milling, irrigation pumping, and other internal operations and also provides electricity to Maui Electric Company (MECO). This biomass electricity is primarily produced by burning bagasse, the residual fiber of the sugar cane plant, as a fuel to generate steam for the production of power. In addition to providing approximately 7% of MECO's electricity, HC&S also serves as a firm power source to MECO, and has played a significant role in the restoration of MECO's electrical service during power outages.

This bill proposes to advance the goals of energy independence and environmental preservation by requiring the consumer advocate to advocate for the use of renewable energy sources in the provision of public utilities. We respectfully request your consideration to broaden the scope of the consumer advocate's potential for advocacy on the use of renewable energy sources by deleting the rate related qualifying criteria. We have attached amended language for your consideration:

(d) The consumer advocate shall advocate for the use of renewable energy sources in the provision of public utilities [where the cost of using a renewable energy source is not more than twenty five per cent greater than the cost of using a comparable fossil fuel and where the cost of the renewable energy source is projected to decrease below the cost of the comparable fossil fuel over the following ten years].

Thank you for the opportunity to testify.