
A BILL FOR AN ACT

RELATING TO ENERGY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that attaining
2 independence from reliance on fossil fuels is a long-standing
3 objective of the State. Hawaii is the state most dependent on
4 petroleum for its energy needs. Reducing our dependence on oil
5 and its consequent price volatility is critical in attaining
6 energy security.

7 Hawaii has an abundance of natural, renewable energy
8 resources from wind, solar, ocean and wave, geothermal, and bio-
9 based fuels. Hawaii's clean energy policy mandates and strongly
10 promotes the use of these renewable energy resources.

11 Act 155, Session Laws of Hawaii 2009, increased the 2020
12 renewable portfolio standard for electric utility companies from
13 twenty per cent to twenty-five per cent, and added a new forty
14 per cent requirement for the year 2030. Act 155 also included
15 the mandate that by January 1, 2015, one hundred per cent of a
16 utility's renewable portfolio standard needs to be met by
17 electrical generation using renewable energy as the source.

18 One of the key elements of Hawaii's energy policy concerns



1 is the desire for reasonable fixed price indigenous renewable
2 resources. Reasonable fixed price indigenous renewable
3 resources are the best hedge against rising oil prices that
4 could return to the \$147 per barrel level experienced in 2008.
5 In order for the State to meet its clean energy objectives,
6 hundreds of megawatts of reasonable fixed price renewable energy
7 must be developed in the near future. The legislature
8 recognizes that no single resource can provide the "silver
9 bullet" solution as a hedge against oil price volatility.

10 In order to achieve the State's aggressive renewable
11 portfolio standard goals, electric utility companies need to
12 emphasize technologies that are commercially available, are
13 capable of being developed soon, are available on a large scale,
14 and may be used to generate electricity that may be delivered to
15 Hawaii's load centers.

16 Electrical services on the islands of Oahu, Maui, Molokai,
17 Lanai, and Hawaii are provided by affiliated, franchised
18 electric utility companies. None of the electric utility
19 systems on these islands are presently electrically
20 interconnected to a electric utility system on any other island.

21 Oahu has the largest demand for electricity and the largest
22 concentration of the population base. A variety of renewable



1 energy resources that are limited on Oahu are abundant on the
2 neighbor islands. To help attain renewable portfolio standard
3 goals, strategies to link Oahu's demand to abundant reasonable
4 fixed price resources from the neighbor islands are being
5 pursued. For example, technical implementation and routing
6 studies have been conducted that show that it is technically
7 feasible to connect renewable energy generation facilities in
8 Maui county to the Oahu load using undersea high-voltage
9 transmission cables.

10 The islands of Maui and Hawaii currently have significant
11 as-available renewable resource penetration levels, based on
12 projects that are currently in service or that have power
13 purchase contracts. They also have significant potential for
14 additional renewable resources. There are plans to consider
15 using high-voltage undersea transmission cables to link the
16 electric utility systems on these islands to the electric
17 utility system on Oahu.

18 Economic analyses have shown that harnessing the wind
19 resources for the islands appears to be a relatively cost-
20 effective means for helping to meet Hawaii's energy policy
21 objectives. The cost of the energy delivered to the load center
22 is expected to be at or below the cost of other commercially



1 available large scale renewable resources in the near-term, and
2 at or below the cost of petroleum based generation in the
3 longer-term. The capital costs of constructing renewable energy
4 generation projects and developing the high-voltage electric
5 transmission cable systems are substantial in relationship to
6 the electric utility companies' existing rate bases, however,
7 and it is expected that renewable energy generation projects and
8 transmission cable projects will be installed by non-utility
9 investors who assume financial responsibility for the projects
10 until they achieve commercial operations.

11 Non-utility investors in a cable project would be selected
12 through a competitive bidding process authorized, reviewed, and
13 approved by the public utilities commission and developed, with
14 input and assistance from the state energy resources
15 coordinator, by the electric utility that would use the cable.
16 The process would be conducted by the electric utility that
17 would use the cable and the public utilities commission would
18 determine whether a selected cable company would be certified.
19 The use of this process allows for the certified cable company,
20 rather than utility rate payers, to assume risks associated with
21 obtaining permits for the cable project and the costs incurred
22 to construct the cable, and to earn a return on investment



1 commensurate with the assumption of these risks. The renewable
2 energy generation project developers would also bear development
3 period risks, such as permitting and construction, for their
4 projects, since the prices for energy from their projects will
5 be fixed in their power purchase agreements with the electric
6 utility, which are also reviewed and approved by the public
7 utilities commission.

8 The legislature also finds that the development of large-
9 scale renewable energy projects has the potential to impact the
10 communities where the projects are located, and that at least
11 some of the environmental review processes conducted as part of
12 the permitting process for the projects would occur after the
13 public utilities commission would need to act on a cable
14 certification application. In order to foster communication
15 with the affected communities and the commission, the
16 legislature has incorporated within this Act a requirement that
17 the commission hold a public hearing on each island proposed to
18 be connected by the high-voltage electric transmission cable
19 system for the purposes of obtaining input from interested
20 parties.

21 In order to connect undersea high-voltage transmission
22 cables to an electric utility system, the electric utility



1 company will need to install on-island transmission
2 infrastructure. In addition, because of the fixed costs of
3 renewable energy projects relative to the variable costs of
4 fossil fuel generation, it is expected that electric utility
5 ratepayers would benefit if the electric utility company
6 acquires the undersea high-voltage transmission cables at or
7 after the commencement of commercial operations. Given the cost
8 of the on-island transmission infrastructure, the need to have
9 the on-island infrastructure available when the undersea high-
10 voltage transmission cables commence commercial operations, and
11 the potential acquisition cost of the undersea high-voltage
12 transmission cables, the electric utility's credit quality,
13 which is essential to the development of renewable energy
14 resources in Hawaii, may be negatively impacted unless specified
15 cost recovery provisions are added to the public utilities law.

16 The purpose of this Act is to establish the regulatory
17 structure under which interisland undersea transmission cables
18 can be developed, financed, and constructed on commercially
19 reasonable terms, such as those upon which successful cable
20 projects have been undertaken in New York, California, and
21 around the world.



1 SECTION 2. Chapter 269, Hawaii Revised Statutes, is
2 amended by adding a new part to be appropriately designated and
3 to read as follows:

4 "PART INTERISLAND TRANSMISSION SYSTEM

5 §269-A Definitions. As used in this part:

6 "Cable acquisition cost" means the electric utility's
7 costs, including reasonable transaction costs, to acquire a
8 high-voltage electric transmission cable system pursuant to a
9 turnkey cable contract or a cable purchase contract.

10 "Cable company" means any person or persons, company,
11 corporation, or entity who is selected through a request for
12 proposal, or other process approved by the commission, to be a
13 certified cable company applicant.

14 "Cable purchase contract" means a contract to purchase a
15 high-voltage electric transmission cable system at or after it
16 achieves commercial operations.

17 "Cable surcharge" means the surcharge approved by the
18 commission pursuant to section 269-D.

19 "Certified cable company" means any person or persons,
20 company, corporation, or entity who owns or controls a high-
21 voltage electric transmission cable system and who is selected
22 through a request for proposal issued by the commission to



1 install the high-voltage electric transmission cable system;
2 provided that the person or persons, company, corporation, or
3 entity receives a certificate of public convenience and
4 necessity from the commission pursuant to section 269-B.

5 "Commercial operations" means the period after the high-
6 voltage electric transmission cable system:

- 7 (1) Passes acceptance tests approved by the commission, as
8 determined by a qualified independent engineer
9 approved by the commission; and
10 (2) Meets other criteria the commission determines to be
11 reasonable.

12 "Commercial operations date" means the date upon which the
13 high-voltage electric transmission cable system begins
14 commercial operations, as determined by the commission.

15 "Commission" means the public utilities commission.

16 "Cost" means all capital investments, including rate of
17 return; any applicable taxes; and all expenses, including
18 capacity payments, operation and maintenance expenses, related
19 to or resulting from the planning, licensing, permitting,
20 designing, development, construction, or operation of a high-
21 voltage electric transmission cable system.

22 "Cost-effective" has the same meaning as in section 269-91.



1 "Development period" means the period of time after the
2 certified transmission entity has been granted a certificate of
3 public convenience and necessity, but before commercial
4 operations.

5 "Electric utility company" means a public utility as
6 defined under section 269-1, for the production, conveyance,
7 transmission, delivery, or furnishing of electric power.

8 "Electric utility system" means the electric system owned
9 and operated by an electric utility company, including any non-
10 utility owned facilities that are interconnected to the system,
11 consisting of power plants, transmission and distribution lines,
12 and related equipment for the production and delivery of
13 electric power to the public.

14 "Energy resources coordinator" or "coordinator" means the
15 director of business, economic development, and tourism.

16 "Expected commercial operations date" means the date
17 reasonably determined by the certified cable company for the
18 high-voltage electric transmission cable system to commence
19 commercial operations.

20 "High-voltage electric transmission cable system" means one
21 hundred twenty kilovolts or greater of alternating current (AC)
22 or direct current (DC) transmission cables constructed undersea,



1 including connected transmission cables or lines installed on
2 land that connect the electric utility systems on two or more
3 islands or allow for the transmission of power from one or more
4 renewable energy generation facilities to the electric utility
5 system located on another island of the State; AC substation or
6 AC/DC converter station; fiber optic communication cables; and
7 other appurtenant facilities.

8 "On-island transmission infrastructure" means the
9 modifications and additions to the existing alternating current
10 transmission grid on an island and other electric utility system
11 modifications needed to reliably connect a high-voltage electric
12 transmission cable system to an electric utility system, and to
13 reliably accept power generated from large scale renewable
14 energy generation facilities and transmitted via the high-
15 voltage electric transmission cable system connecting two or
16 more islands of the State's electric utility systems.

17 "Power purchase agreement" means an agreement between an
18 electric utility company and the developer of a renewable energy
19 generation facility to sell the power generated by the facility
20 to the electric utility company.



1 "Predevelopment period" means the period of time before the
2 certified transmission entity has been granted a certificate of
3 public convenience and necessity.

4 "Project-on-project financing risk" means the risk involved
5 when mutually dependent projects, whose risk of completion, and
6 therefore, financing, are dependent on each other, such as in
7 the case of a high-voltage electric transmission cable system
8 intended to connect a renewable energy generation facility to an
9 electric utility system where the uncertainty as to whether the
10 renewable energy generation facility can be financed or built
11 results in increased risk for the high-voltage electric
12 transmission cable project because it is not viable without a
13 source of energy to transmit, and vice versa.

14 "Renewable electricity" means electrical energy generated
15 using renewable energy as the source.

16 "Renewable energy" has the same meaning as in section
17 269-91.

18 "Renewable energy generation facility" means a facility
19 generating electrical energy using renewable energy as the
20 primary source.

21 "Renewable portfolio standard" has the same meaning as that
22 provided in section 269-91.



1 "Request for proposal" means a request for proposal
2 developed jointly by an electric company or companies and the
3 energy resources coordinator or its designee, issued pursuant to
4 a competitive bidding process authorized by the commission to
5 select a certified cable company and conducted by the electric
6 utility company or companies to which the capacity of a high-
7 voltage electric transmission cable system will be made
8 available. The energy resources coordinator shall be a member
9 of the selection committee that will review and evaluate the
10 proposals.

11 "Turnkey cable contract" means a contract entered into
12 pursuant to a request for proposal under which a cable company
13 designs, builds, and transfers a high-voltage electric
14 transmission cable system to an electric utility company upon
15 commencement of commercial operations.

16 **§269-B Certification.** (a) Prior to installing a high-
17 voltage electric transmission cable system, a cable company
18 shall be selected through a request for proposal, or other
19 process approved by the commission, and issued a certificate of
20 public convenience and necessity by the commission pursuant to
21 section 269-7.5.



1 (b) Notwithstanding any provisions in section 269-7.5 to
2 the contrary:

3 (1) The commission shall approve, disapprove, or approve
4 subject to certain conditions, an application for a
5 certificate of public convenience and necessity for a
6 high-voltage electric transmission cable system, and
7 shall issue a final order within one hundred eighty
8 days after the application is filed; provided that the
9 commission may extend the timeline as necessary;

10 (2) In determining whether the cable company is
11 financially fit, the commission may allow for the use
12 of commercially reasonable non-recourse project
13 financing for the high-voltage electric transmission
14 cable system;

15 (3) In determining whether the proposed transmission
16 capacity service is or will be required by the present
17 or future public convenience and necessity, the
18 commission shall determine whether the high-voltage
19 electric transmission cable system would be a cost-
20 effective means of:

21 (A) Interconnecting two or more electric utility
22 systems;



1 (B) Helping one or more electric utility companies
2 meet the applicable renewable portfolio standard;
3 or

4 (C) Achieving other considerations the commission may
5 deem appropriate;

6 (4) If the primary source or sources of the renewable
7 electricity that will be transmitted to an electric
8 utility company or companies using the high-voltage
9 electric transmission cable system will be provided
10 pursuant to a power purchase agreement or agreements
11 between the electric utility company or companies and
12 an owner or owners of a new renewable energy
13 generation facility or facilities, in reviewing and
14 approving the application for a certificate of public
15 convenience and necessity, the commission shall, among
16 other factors, take into consideration:

17 (A) The status of the power purchase agreement or
18 agreements;

19 (B) The extent to which the project-on-project
20 financing risk of the high-voltage electric
21 transmission cable system and the associated
22 renewable energy generation facilities is



1 materially reduced through agreements between the
2 certified cable company and the owner or owners
3 of the renewable energy generation facilities
4 holding the power purchase agreement or
5 agreements, or through common ownership
6 arrangements; and

7 (C) The extent to which the certified cable company
8 assumes financial responsibility for the high-
9 voltage electric transmission cable system until
10 both the cable system and the new generation
11 facility or facilities have achieved commercial
12 operations;

13 (5) In the certification process, the commission shall
14 review and determine ratemaking principles appropriate
15 and applicable to the high-voltage electric
16 transmission cable system during commercial
17 operations. The ratemaking principles shall be used
18 in determining the certified cable company's revenue
19 requirement that is used to determine its transmission
20 capacity charges, and may be used to fix the capital
21 investment costs for the high-voltage electric
22 transmission cable system upon which the certified



1 cable company will be allowed to earn an authorized
2 rate of return and the operating costs that may be
3 included in the certified cable company's revenue
4 requirement;

5 (6) In determining the authorized rate of return that will
6 apply to a certified cable company, the commission may
7 consider the risks assumed by the certified cable
8 company during the predevelopment, development, and
9 commercial operations periods related to or resulting
10 from the development, financing, construction, and
11 operation of the high-voltage electric transmission
12 cable system, including other factors deemed relevant
13 and appropriate by the commission such as the terms
14 and conditions of the transmission tariff as may be
15 approved by the commission; and

16 (7) Prior to approving the application for a certificate
17 of public convenience and necessity, the commission
18 shall hold a public hearing on each island to be
19 connected by the high-voltage electric transmission
20 cable system to obtain input from the affected
21 communities about the high-voltage electric
22 transmission cable system.



1 **§269-C Transmission tariff.** The commission shall, by
2 order, approve, disapprove, or approve subject to certain.
3 conditions, the tariff of the certified cable company pursuant
4 to which the certified cable company shall make the capacity of
5 its high-voltage electric transmission cable system available to
6 the electric utility company or companies. The tariff shall be
7 consistent with the tariff provisions provided in the request
8 for proposals. The tariff shall specify the terms and
9 conditions under which the certified cable company will be
10 entitled to receive revenues collected through the cable
11 surcharge. The certified cable company may submit its proposed
12 tariff for approval prior to the expected commercial operations
13 date, and the commission shall take final action on the proposed
14 tariff within one hundred twenty days after submittal of the
15 proposed tariff with supporting documentation as may be required
16 by the commission; provided that the commission may extend the
17 timeline as necessary.

18 **§269-D Cable Surcharge.** (a) The commission shall
19 establish a cable surcharge to allow recovery of the high-
20 voltage electric transmission cable system costs designated for
21 recovery according to the ratemaking principles pursuant to
22 section 269-B.



1 (b) Pursuant to the transmission tariff, the commission
2 shall, by order, designate the electric utility company or
3 companies to which the capacity of the high-voltage electric
4 transmission cable system shall be made available as the agent
5 of the certified cable company in order to collect the cable
6 surcharge approved by the commission. The electric utility
7 company or companies collecting the cable surcharge for the
8 benefit of the certified cable company shall have no right,
9 title, or interest in the moneys. The commission shall approve
10 a fee, to be collected by the electric utility company or
11 companies concurrently with the cable surcharge, for acting as
12 the collection agent for the certified cable company.

13 (c) Notwithstanding any requirements to the contrary, a
14 high-voltage electric transmission cable system may be deemed
15 "used or useful for public utility purposes" upon commencing
16 commercial operations, subject to the commission's determination
17 and approval.

18 **§269-E Electric utility company acquisition of cable**
19 **system.** (a) The commission may approve an electric utility
20 company's acquisition of a high-voltage electric transmission
21 cable system pursuant to a commission-approved turnkey cable
22 contract or cable purchase contract.



1 (b) In the case of a turnkey cable contract, the
2 commission shall review and approve, disapprove, or approve
3 subject to certain conditions, the contract upon application
4 filed by the electric utility company.

5 (c) In the case of a cable purchase contract, the
6 commission shall review and approve, disapprove, or approve
7 subject to certain conditions, the option to purchase in the
8 same proceeding in which the commission reviews and approves a
9 certificate of public convenience and necessity for a cable
10 company providing the option to purchase or a power purchase
11 agreement containing the option to purchase, and shall review
12 and approve, disapprove, or approve subject to certain
13 conditions, the cable purchase contract resulting from exercise
14 of the option to purchase upon application filed by the electric
15 utility company proposing to acquire the high-voltage electric
16 transmission cable system.

17 **§269-F Recovery of electric utility company costs. (a)**
18 An electric utility company may recover its revenue requirement,
19 as approved by the commission, resulting from the costs that it
20 prudently incurs in acquiring a high-voltage electric
21 transmission cable system throughout the commercial operations



1 period after it is acquired; provided that the acquisition is
2 approved by the commission.

3 (b) An electric utility company shall be entitled to
4 recover, through an automatic rate adjustment clause, its
5 revenue requirement resulting from the capital costs that it
6 prudently incurs for on-island transmission infrastructure,
7 provided the commission has approved the utility's commitment of
8 capital expenditure costs for the project.

9 (c) In order to provide for timely recovery of the revenue
10 requirement, the commission shall establish a separate automatic
11 rate adjustment clause for that purpose, or modify an existing
12 automatic rate adjustment clause. The use of the automatic rate
13 adjustment clause to recover the revenue requirement shall be
14 allowed to continue until the revenue requirement is
15 incorporated in rates in an electric utility company's rate
16 case.

17 (d) The electric utility company's revenue requirement
18 shall include:

19 (1) The commission-approved rate of return, as set in the
20 electric utility company's last rate case, on the
21 utility's net investment in the high-voltage electric
22 transmission cable system from the acquisition date of



1 the high-voltage electric transmission cable system,
2 and in the on-island transmission infrastructure from
3 the date the on-island transmission infrastructure is
4 completed and available for service;

5 (2) Depreciation; and

6 (3) Revenue taxes and other relevant costs as approved by
7 the commission.

8 (e) The electric utility company's net investment includes
9 the cable acquisition cost in the case of the high-voltage
10 electric transmission cable system and the costs of planning,
11 permitting, and constructing the on-island transmission
12 infrastructure, including an allowance for funds used during
13 construction where the utility finances the planning,
14 permitting, and construction costs, less offsets such as
15 accumulated depreciation and associated unamortized deferred
16 income taxes.

17 (f) The on-island transmission infrastructure shall be
18 available for service before the commercial operations date of
19 the high-voltage electric transmission cable system.

20 Notwithstanding any other provision in this chapter to the
21 contrary, at the time the commission approves the electric



1 utility company's commitment of capital expenditure costs for
2 the project, the commission may either:

3 (1) Allow the electric utility company to recover its
4 approved revenue requirement resulting from the
5 capital costs that it prudently incurs for on-island
6 infrastructure at the time that the infrastructure is
7 available for service; or

8 (2) Allow the company to continue to accrue an allowance
9 for funds used during construction on such prudently
10 incurred capital costs until the commercial operations
11 date for the high-voltage electric transmission
12 system.

13 (g) If the electric utility company elects not to complete
14 the on-island transmission infrastructure, and the commission
15 approves this election, or the electric utility company is
16 precluded from completing construction of the on-island
17 transmission infrastructure, the electric utility company shall
18 be allowed to recover all costs determined by the commission to
19 have been prudently incurred by the electric utility company
20 during the predevelopment and development periods. The electric
21 utility company shall recover these costs through the cable



1 surcharge over a period equal to the period during which the
2 costs were incurred or five years, whichever is greater."

3 SECTION 3. Chapter 239, Hawaii Revised Statutes, is
4 amended by adding a new section to be appropriately designated
5 and to read as follows:

6 "§239- Cable surcharge amounts exempt. Amounts received
7 in the form of a cable surcharge by an electric utility company
8 acting on behalf of a certified cable company under section
9 269-D shall not be counted as gross income of that electric
10 utility company for purposes of this chapter; provided that any
11 amounts retained by that electric utility company for collection
12 or other costs shall not be included in this exemption."

13 SECTION 4. Chapter 240, Hawaii Revised Statutes, is
14 amended by adding a new section to be appropriately designated
15 and to read as follows:

16 "§240- Cable surcharge amounts exempt. Amounts received
17 in the form of a cable surcharge by an electric utility company
18 acting on behalf of an affected certified cable company under
19 section 269-D shall not be counted as gross receipts for that
20 electric utility company for purposes of this chapter; provided
21 that any amounts retained by that electric utility company for



1 collection or other costs shall not be included in this
2 exemption."

3 SECTION 5. Section 235-7, Hawaii Revised Statutes, is
4 amended by amending subsection (a) to read as follows:

5 "(a) There shall be excluded from gross income, adjusted
6 gross income, and taxable income:

7 (1) Income not subject to taxation by the State under the
8 Constitution and laws of the United States;

9 (2) Rights, benefits, and other income exempted from
10 taxation by section 88-91, having to do with the state
11 retirement system, and the rights, benefits, and other
12 income, comparable to the rights, benefits, and other
13 income exempted by section 88-91, under any other
14 public retirement system;

15 (3) Any compensation received in the form of a pension for
16 past services;

17 (4) Compensation paid to a patient affected with Hansen's
18 disease employed by the State or the United States in
19 any hospital, settlement, or place for the treatment
20 of Hansen's disease;

21 (5) Except as otherwise expressly provided, payments made
22 by the United States or this State, under an act of



1 Congress or a law of this State, which by express
2 provision or administrative regulation or
3 interpretation are exempt from both the normal and
4 surtaxes of the United States, even though not so
5 exempted by the Internal Revenue Code itself;

6 (6) Any income expressly exempted or excluded from the
7 measure of the tax imposed by this chapter by any
8 other law of the State, it being the intent of this
9 chapter not to repeal or supersede any express
10 exemption or exclusion;

11 (7) Income received by each member of the reserve
12 components of the Army, Navy, Air Force, Marine Corps,
13 or Coast Guard of the United States of America, and
14 the Hawaii national guard as compensation for
15 performance of duty, equivalent to pay received for
16 forty-eight drills (equivalent of twelve weekends) and
17 fifteen days of annual duty, at an:

18 (A) E-1 pay grade after eight years of service;
19 provided that this subparagraph shall apply to
20 taxable years beginning after December 31, 2004;



- 1 (B) E-2 pay grade after eight years of service;
2 provided that this subparagraph shall apply to
3 taxable years beginning after December 31, 2005;
- 4 (C) E-3 pay grade after eight years of service;
5 provided that this subparagraph shall apply to
6 taxable years beginning after December 31, 2006;
- 7 (D) E-4 pay grade after eight years of service;
8 provided that this subparagraph shall apply to
9 taxable years beginning after December 31, 2007;
10 and
- 11 (E) E-5 pay grade after eight years of service;
12 provided that this subparagraph shall apply to
13 taxable years beginning after December 31, 2008;
- 14 (8) Income derived from the operation of ships or aircraft
15 if the income is exempt under the Internal Revenue
16 Code pursuant to the provisions of an income tax
17 treaty or agreement entered into by and between the
18 United States and a foreign country; provided that the
19 tax laws of the local governments of that country
20 reciprocally exempt from the application of all of
21 their net income taxes, the income derived from the



- 1 operation of ships or aircraft that are documented or
2 registered under the laws of the United States;
- 3 (9) The value of legal services provided by a prepaid
4 legal service plan to a taxpayer, the taxpayer's
5 spouse, and the taxpayer's dependents;
- 6 (10) Amounts paid, directly or indirectly, by a prepaid
7 legal service plan to a taxpayer as payment or
8 reimbursement for the provision of legal services to
9 the taxpayer, the taxpayer's spouse, and the
10 taxpayer's dependents;
- 11 (11) Contributions by an employer to a prepaid legal
12 service plan for compensation (through insurance or
13 otherwise) to the employer's employees for the costs
14 of legal services incurred by the employer's
15 employees, their spouses, and their dependents;
- 16 (12) Amounts received in the form of a monthly surcharge by
17 a utility acting on behalf of an affected utility
18 under section 269-16.3 shall not be gross income,
19 adjusted gross income, or taxable income for the
20 acting utility under this chapter. Any amounts
21 retained by the acting utility for collection or other
22 costs shall not be included in this exemption; [and]



1 (13) One hundred per cent of the gain realized by a fee
 2 simple owner from the sale of a leased fee interest in
 3 units within a condominium project, cooperative
 4 project, or planned unit development to the
 5 association of owners under chapter 514A or 514B, or
 6 the residential cooperative corporation of the
 7 leasehold units.

8 For purposes of this paragraph:

9 "Condominium project" and "cooperative project"
 10 shall have the same meanings as provided under section
 11 514C-1;

12 "Fee simple owner" shall have the same meaning as
 13 provided under section 516-1; provided that it shall
 14 include legal and equitable owners; and

15 "Legal and equitable owner", and "leased fee
 16 interest" shall have the same meanings as provided
 17 under section 516-1; and

18 [~~"Condominium project" and "cooperative project"~~
 19 ~~shall have the same meanings as provided under section~~
 20 ~~514C-1.]~~

21 (14) Amounts received in the form of a monthly cable
 22 surcharge by an electric utility company acting on



1 behalf of a certified cable company under section
 2 269-D shall not be counted as gross income, adjusted
 3 gross income, or taxable income for that electric
 4 utility company under this chapter; provided that any
 5 amounts retained by that electric utility company for
 6 collection or other costs shall not be included in
 7 this exemption."

8 SECTION 6. Section 269-30, Hawaii Revised Statutes, is
 9 amended by adding subsection (e) to read as follows:

10 "(e) Amounts received in the form of a cable surcharge by
 11 an electric utility company acting on behalf of a certified
 12 cable company under section 269-D shall not be counted as gross
 13 income for that electric utility company for purposes of this
 14 section; provided that any amounts retained by that electric
 15 utility company for collection or other costs shall not be
 16 included in this exemption."

17 SECTION 7. In codifying the new sections added by section
 18 2 of this Act, the revisor of statutes shall substitute
 19 appropriate section numbers for the letters used in designating
 20 the new sections in this Act.

21 SECTION 8. Statutory material to be repealed is bracketed
 22 and stricken. New statutory material is underscored.



1 SECTION 9. This Act shall take effect on July 1, 2050.



Report Title:

Energy; Interisland High Voltage Electric Transmission Cable System; Public Utilities Commission; Tax Exemptions

Description:

Establishes a regulatory structure for the installation and implementation of an interisland high voltage electric transmission cable system and for the construction of on-island transmission infrastructure. Allows for the utility company to collect surcharges from its ratepayers to recover the costs of the cable installation on behalf of the cable company. Exempts the surcharges from being counted as gross income, adjusted gross income, or taxable income for tax purposes. Provides for the eventual acquisition of the cable system by the utility company from the cable company. Allows the utility company to recover the costs of acquiring the cable system and developing the on island infrastructure through an automatic rate adjustment clause and then through its rates. Allows the utility to recover the reasonable costs, as determined by the public utilities commission, of predevelopment and development in the event that the system is not completed. Effective 7/1/2050. (SD3)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.





NEIL ABERCROMBIE
GOVERNOR

BRIAN SCHATZ
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

335 MERCHANT STREET, ROOM 310

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KEAL'I S. LOPEZ
DIRECTOR

EVERETT KANESHIGE
DEPUTY DIRECTOR

TO THE HOUSE COMMITTEES ON ENERGY AND ENVIRONMENTAL PROTECTION
AND CONSUMER PROTECTION AND COMMERCE

THE TWENTY-SIXTH LEGISLATURE
REGULAR SESSION OF 2011

THURSDAY, MARCH 17, 2011
11:00 A.M.

TESTIMONY OF JEFFREY T. ONO, EXECUTIVE DIRECTOR,
DIVISION OF CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE
AND CONSUMER AFFAIRS, TO THE HONORABLE DENNY COFFMAN,
ACTING CHAIR, AND THE HONORABLE ROBERT N. HERKES, CHAIR,
AND MEMBERS OF THE COMMITTEES

SENATE BILL NO. 367, SD3 – RELATING TO ENERGY.

DESCRIPTION:

This measure proposes to establish new sections in Hawaii Revised Statutes ("HRS") § 269 that would facilitate the Commission's ability to authorize a cable utility company to operate as a regulated utility as well as provisions associated with the recovery of the costs that will be incurred for the cable that will connect the electrical systems on different islands.

POSITION:

The Division of Consumer Advocacy ("Consumer Advocate") supports this measure.

COMMENTS:

This proposed measure would facilitate a particular ownership model for the envisioned cable that would be necessary to connect electrical systems on different islands. It also makes provisions for the recovery of costs for the cable and related infrastructure from ratepayers.

Senate Bill No. 367, SD3
House Committees on Energy and Environmental Protection
and Consumer Protection and Commerce
Thursday, March 17, 2011; 11:00 a.m.
Page 2

The Consumer Advocate supports SB 367, SD 2 and its goal of using wind for electricity generation.

On October 20, 2008, the Consumer Advocate signed the Hawaii Energy Agreement with DBEDT, HECO, and former Governor, Linda Lingle. By signing this agreement, the Consumer Advocate expressed a commitment to moving the State of Hawaii off fossil fuels and toward renewable energy resources for electricity and transportation. SB No. 367, SD 3 is one step toward achieving the state's goal of being less dependent upon imported petroleum-based oil and more reliant upon renewable energy electricity generation.

The wind is free, but the cost of harnessing the wind and turning it into electricity is not. The Consumer Advocate acknowledges that ratepayers will be surcharged for the cost of the undersea transmission cable, the Lana'i/Moloka'i wind farms, and the on-island infrastructure. The cost for wind-generated electricity is probably higher than petroleum-based oil generated electricity in today's market. On the other hand, with the unrest in Libya and the Middle-East, the earthquake/tsunami disaster in Japan, and the lingering effects of the BP oil spill in the Gulf of Mexico, the future price per barrel of oil is likely to be increasing once again. The proposed 400 MW wind farms will be instrumental in keeping electricity prices in Hawaii at affordable and level rates. This legislation that sets the regulatory structure for the undersea cable that will connect the wind farms to Oahu is key to obtaining the necessary financing for the undersea cable.

Thank you for this opportunity to provide this testimony.

**TESTIMONY OF HERMINA M. MORITA
CHAIR, PUBLIC UTILITIES COMMISSION
DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE
HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION
MARCH 17, 2011**

MEASURE: S.B. No. 367 SD3
TITLE: Relating to Energy.

Chair Coffman and Members of the Committee:

DESCRIPTION:

This bill:

- Establishes a regulatory structure for the installation and implementation of an inter-island high voltage electric transmission cable system ("Inter-Island Cable System") and for the construction of on-island transmission infrastructure;
- Allows for the utility company to collect surcharges from its ratepayers to recover the costs of the cable installation on behalf of the cable company;
- Exempts the surcharges from being counted as gross income, adjusted gross income, or taxable income for tax purposes;
- Provides for the eventual acquisition of the cable system by the utility company from the cable company;
- Allows the utility company to recover the costs of acquiring the cable system and developing the on island infrastructure through an automatic rate adjustment clause and then through its rates; and
- Allows the utility to recover the costs of predevelopment and development in the event that the system is not completed.

POSITION:

The Commission defers to the Legislature on whether to facilitate the development of the Inter-Island Cable System by establishing a special regulatory structure and cost-recovery mechanism for such a system as provided under this bill.

COMMENTS:

At the Joint Senate Energy and the Environment and Commerce and Consumer Protection Committee hearing on the SD1 of the bill, the Commission expressed its concerns,¹ and most of those concerns were addressed in the SD2 to the extent that they possibly could. However, the Commission is still concerned that a certain amount of the potential risk to ratepayers, which may be unavoidable, will continue to exist if a project of this magnitude goes forward.

The Commission has reviewed the amendments that were made by the WAM Committee (suggested by the Consumer Advocate) and the Commission does not have any objections to the amendments.

Thank you for the opportunity to testify.

¹ PUC Testimony on SB 367 SD1 to Senate Joint Committees on Energy and the Environment and Commerce and Consumer Protection on February 10, 2011.



SB 367 SD3
RELATING TO ENERGY
House Committee on Energy & Environmental Protection
House Committee on Consumer Protection & Commerce

March 17, 2011

11:00 a.m.

Room 325

The Office of Hawaiian Affairs (OHA) offers the following comments on SB 367 SD3. This bill establishes a regulatory scheme for the installation of an interisland power cable.

This issue is of particular concern to OHA and our beneficiaries because any interisland power cable in the state would lie across submerged ceded lands. Undersea power cables that would connect O'ahu to Lāna'i and Moloka'i are currently being planned. However, establishing the regulatory scheme for an interisland power cable – as proposed in SB367 SD3 – at this point appears presumptuous when the environmental impact studies of these projects are still at the preliminary stages. This bill in many ways validates the criticisms of our Moloka'i and Lāna'i beneficiaries that the approval and development of these projects are foregone conclusions.

Many of our beneficiaries on Moloka'i and Lāna'i are greatly concerned about the potential impacts these projects will have on their communities and feel that they are not being told the full details of how these projects will be implemented.

Mahalo nui loa for the opportunity to testify.

Council Chair
Danny A. Mateo

Vice-Chair
Joseph Pontanilla

Council Members
Gladys C. Baisa
Robert Carroll
Elle Cochran
Donald G. Couch, Jr.
G. Riki Hokama
Michael P. Victorino
Mike White



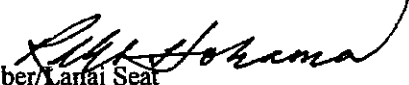
Director of Council Services
Ken Fukuoka

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov/council

March 16, 2011

TO: The Honorable Hermina M. Morita, Chair
House Energy and Environmental Protection Committee (EEP)

The Honorable Robert N. Herkes, Chair
House Consumer Protection and Commerce Committee (CPC)

F R O M: Riki Hokama 
Council Member/Lanai Seat

SUBJECT: **HEARING OF MARCH 17, 2011: TESTIMONY IN OPPOSITION TO SB 367, SD 3 RELATING TO ENERGY**

As the Lanai member on the Maui County Council, I am submitting testimony in opposition to this measure. The purpose of this measure is to establish a regulatory structure for the placement, operation, and possible acquisition of an undersea high-voltage electric transmission cable system that will transmit electricity generated at renewable energy facilities to other islands of the State.

The subject measure should be deferred for the following reasons:

1. This measure "puts the cart before the horse". Reform of the Public Utilities Commission (PUC) needs to be addressed first in other pending legislation that addresses mandatory Neighbor Island representation, better criteria for decision-making, and provisions for adequate commission staff support. I firmly believe that the existing PUC framework and process needs to be overhauled first, before dealing with the future infrastructure requirements in this measure.
2. This measure needs further community review and discussion. The island of Lanai is one of several sites in Maui County proposed site for a wind farm to supply electric power for the island of Oahu, as part of the Hawaii Interisland Renewable Energy Program (HIREP), which is a partnership between the State of Hawaii and the U.S. Department of Energy. Preparation and review of the programmatic-level EIS for HIREP: Wind is still in progress. The subject measure relates to the undersea electric transmission cable system for HIREP wind energy projects. At this stage, there are many unanswered questions as to how Lanai residents would benefit, who should bear the costs if these projects fail, and how historic resident access to the project area for hunting, gathering and other recreational pursuits will be addressed. A deferral is warranted to allow more time for community input.

I appreciate the opportunity to present testimony on the proposed measure in my capacity as the Lanai representative on the Maui County Council. Please contact me at (808) 270-7768, if you have any questions.

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 15, 2011 6:46 PM
To: EEPtestimony
Cc: Lisa.M.Galloway@gmail.com
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Lisa Galloway
Organization: Individual
Address:
Phone:
E-mail: Lisa.M.Galloway@gmail.com
Submitted on: 3/15/2011

Comments:

"I oppose SB 367 S.D. 3. It is premature and not in the best interests of Hawai'i's ratepayers OR the people of Lana'i or Moloka'i. Please defer this Bill."

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 15, 2011 7:42 PM
To: EEPtestimony
Cc: noelaniw@gmail.com
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Nani Watanabe
Organization: Individual
Address:
Phone:
E-mail: noelaniw@gmail.com
Submitted on: 3/15/2011

Comments:

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 15, 2011 7:59 PM
To: EEPtestimony
Cc: joanavarawa@gmail.com
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Joana Varawa
Organization: Individual
Address:
Phone:
E-mail: joanavarawa@gmail.com
Submitted on: 3/15/2011

Comments:

This legislation is premature and imposes an unnecessary burden on state taxpayers and especially on the residents of Lana'i and Moloka'i. Please defer this bill.

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 15, 2011 9:09 PM
To: EEPtestimony
Cc: shawdm@alum.urmc.rochester.edu
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Michael Shaw
Organization: Individual
Address:
Phone:
E-mail: shawdm@alum.urmc.rochester.edu
Submitted on: 3/15/2011

Comments:

To whom it SHOULD concern,I oppose SB 367 as a premature and hurtful bill to the people of our state with a soaring cost of living and particularly the residents of Lana'i and Moloka'i whose islands will be defaced and abused and will still be expected to help out HECO and the developers to increase their profits. Also, the people of Oahu must show they are willing to reduce usage before the smallest islands take the hit for them. Mahalo

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 15, 2011 9:20 PM
To: EEPtestimony
Cc: shawdm@alum.urmc.rochester.edu
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Diana Shaw
Organization: Individual
Address:
Phone:
E-mail: shawdm@alum.urmc.rochester.edu
Submitted on: 3/15/2011

Comments:

I oppose SB 367. This bill is premature and hurtful to the residents of Lana'i and Moloka'i, as well as residents of other islands. We are currently faced with a soaring cost of living on the neighbor islands, in particular, yet this bill's effect will be to permanently deface and abuse Lanai and in return, we will still be expected to help HECO and the developers to increase their profits! What have the residents of Oahu done to decrease their usage of electricity? How have they shown their willingness to reduce usage? They have done NOTHING! How much more are the smallest neighbor islands supposed to give? How many more times will the smaller islands take the hit for Oahu? Yes, we are one state for sure, but that means that we each must be responsible for ourselves and make an effort to conserve, before defiling other islands. Mahalo and Salamat.

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 15, 2011 9:22 PM
To: EEPtestimony
Cc: debbie@hcsnetwork.org
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Debbie Gowensmith
Organization: Hawai'i Community Stewardship Network
Address:
Phone:
E-mail: debbie@hcsnetwork.org
Submitted on: 3/15/2011

Comments:

The Hawai'i Community Stewardship Network empowers communities to improve their quality of life through caring for their natural heritage. We are distressed that SB367 moves a project forward that has been hotly contested by community members on Lana'i and Moloka'i. Current law provides for a process, which is currently underway, in which the communities affected by the wind power project are participating. This current process includes an EIS--a critical step, especially considering the placement of the interisland cable through the Humpback Whale National Marine Sanctuary. The Legislature does NOT need to preempt this process through this legislation.

In addition, the burden of all costs for this project fall on taxpayers. This is irresponsible, and it's bad business.

Please hold the bill.
Mahalo for your consideration.
Debbie Gowensmith, Director

HOUSE OF REPRESENTATIVES
THE TWENTY-SIXTH LEGISLATURE
REGULAR SESSION OF 2011

COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Rep. Denny Coffman, Acting Chair

COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Rep. Robert N. Herkes, Chair

Rep. Ryan I. Yamane, Vice Chair

DATE: Thursday, March 17, 2011

TIME: 11:00am

PLACE: Conference Room 325

State Capitol

415 South Beretania Street

We are strongly opposed to SB 367 for the following reasons.

1. Creating a department to oversee an undersea cable between Lānaʻi/Molokai and Oahu is premature. Generally when departments are formed for a specific reason they become biased in their opinions and fail to listen to other ideas. This State doesn't even have an approved energy plan for when oil runs out. Spending \$1b on this expensive infrastructure could be a total waste with 100% of that cost being paid for by the HECO's ratepayers. This could also be the people on Lānaʻi/Molokai who would gain nothing from the cable.
2. This initiative is directly about placing windmills on Lānaʻi/Molokai. Cluttering the rustic wilderness of Lānaʻi or Molokai with windmills shouldn't be done. Windmills and other forms of alternative energy should be exhausted on Oahu before tapping into other people's back yards. Just because windmills were placed incorrectly in the early 1980's doesn't mean Oahu should exploit other islands. The coast line between Koko Head and Diamond Head gets plenty of wind. The people who will be benefiting from the power should look at them and hear them.
3. Windmills may postpone the inevitable end of cheap oil but they don't solve the problem of diminishing supply and therefore escalating prices. Windmills can only be used for a fraction of the total energy needs. They are expensive especially when added to an undersea cable that will add a minimum of 2 cents and could go as high as 5 cents per kwh to everyone's power bill until the cable is paid off. Granted this is cheaper than escalating fuel costs but windmills/solar will never replace oil unless you have an inexpensive way to store power and use it as needed. Batteries are extremely expensive today and not a good replacement for oil on a commercial basis. Another option for the long-term is geo-thermal. Maui and Hawaii will take another 10,000 years to move over the hot spot they are over.
4. According to documentation from HECO they purport that this level of infrastructure will add a few cents to everyone's bill. This leads me to believe that they are not sharing detailed information about the cost or environmental impacts. In fact, many communities around the world are very dismayed with the ultimate cost per kwh of windmills. The cost of windmills tends to drive business away rather than to a windmill powered area.

5. This bill also relieves HECO of all risk without sharing any of the profits with its customers. I know costs are generally passed on to the consumer. Why should that practice be State endorsed and supported by a special department at taxpayer's expense? HECO stockholders should be shouldering this risk not their customers. If HECO walks away from this venture after we've spent \$500,000,000 they and their stockholders should be paying that back. This bill as written would allow them to walk with no financial obligation.

In conclusion, please kill this bill.

Mahalo for taking these points into consideration.

John Schaumburg & Donna Kaopuiki Schaumburg

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 15, 2011 9:52 PM
To: EEPtestimony
Cc: paddle@wave.hicv.net
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Christine C. Costales
Organization: Individual
Address:
Phone:
E-mail: paddle@wave.hicv.net
Submitted on: 3/15/2011

Comments:

"I oppose SB 367 S.D. 3. It is premature and not in the best interests of Hawai'i's ratepayers or the people of Lana'i or Moloka'i.

Please defer this Bill."

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 15, 2011 9:53 PM
To: EEPtestimony
Cc: vmdelr@yahoo.com
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: VernaM. Del Rosario
Organization: Individual
Address:
Phone:
E-mail: vmdelr@yahoo.com
Submitted on: 3/15/2011

Comments:

I strongly oppose SB 367 S.D.3. It is premature and not in the best interests of Hawaii's ratepayers or the people of Lana'i or Moloka'i. Please defer this Bill.

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 15, 2011 10:49 PM
To: EEPtestimony
Cc: chuckb@hawaii.rr.com
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Chuck Burrows
Organization: Ahahui Malama i ka Lokahi
Address:
Phone:
E-mail: chuckb@hawaii.rr.com
Submitted on: 3/15/2011

Comments:

Aloha members of this committee,

I'm Chuck Burrows representing as a board officer of both Ahahui Malama i ka Lokahi and the Kailua Hawaiian Civic Club which are Hawaiian organizations that are oopose to SB 367 S.D. 3. It is premature and not in the best interests of Hawai`i's ratepayers or the people of Lana`i or Moloka`i. Please defer this Bill."

Mahalo.

Charles K. Burrows, Ed.D.
Ahahui Malama i Ka Lokahi, co-president
Kailua Hawaiian Civic Club, 2nd V.P.

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 15, 2011 11:05 PM
To: EEPtestimony
Cc: lisarey@hawaii.edu
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Lisa Hinano Rey
Organization: Individual
Address:
Phone:
E-mail: lisarey@hawaii.edu
Submitted on: 3/15/2011

Comments:

I oppose SB 367 S.D. 3. It is premature and not in the best interests of Hawai`i's ratepayers or the people of Lana`i or Moloka`i. Please defer this Bill.

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 16, 2011 12:07 AM
To: EEPtestimony
Cc: nkortiz@hawaii.edu
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Nathan Ortiz
Organization: Individual
Address:
Phone:
E-mail: nkortiz@hawaii.edu
Submitted on: 3/16/2011

Comments:

I oppose SB 367 S.D. 3. Shifting all costs for the undersea cable to the ratepayers of Hawaii is unacceptable. It is not in the best interests of Hawai'i's ratepayers or the people of Lana'i or Moloka'i. Please defer this Bill.

Thank you,
Nathan Ortiz

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 16, 2011 12:22 AM
To: EEPtestimony
Cc: bsager42@gmail.com
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Bill Sager
Organization: Individual
Address:
Phone:
E-mail: bsager42@gmail.com
Submitted on: 3/16/2011

Comments:

The neighbor island wind farms and the connecting undersea cable are complex and controversial.

Shifting all costs to the ratepayers could/will have a major impact on rate payers and we should understand the impact of ratepayer financing on our utility bills.

Under the Lingle plan, constructing the cable would be financed by CIP. This is a major change in how the project will be financed.

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 16, 2011 12:28 AM
To: EEPtestimony
Cc: pili_sol@yahoo.com
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Sol P. Kaho'ohalahala
Organization: Individual
Address:
Phone:
E-mail: pili_sol@yahoo.com
Submitted on: 3/16/2011

Comments:

"I oppose SB 367 S.D. 3. It is premature and not in the best interests of Hawai'i's ratepayers OR the people of Lana'i or Moloka'i. Please defer this Bill."

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 16, 2011 12:29 AM
To: EEPtestimony
Cc: Tyler@kanuhawaii.com
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: Yes
Submitted by: Tylet mongan
Organization: Individual
Address:
Phone:
E-mail: Tyler@kanuhawaii.com
Submitted on: 3/16/2011

Comments:

I strongly oppose this bill as it does not serve the best interests of hawaii and its people at this time. Aloha.

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 16, 2011 1:02 AM
To: EEPtestimony
Cc: jepsona001@hawaii.rr.com
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Andrea I. Jepson
Organization: Individual
Address:
Phone:
E-mail: jepsona001@hawaii.rr.com
Submitted on: 3/16/2011

Comments:
I oppose this bill. Financial obligations should not be totally borne by taxpayers.

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 16, 2011 5:00 AM
To: EEPtestimony
Cc: fritzwalter@comcast.net
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Fritz Walter
Organization: Individual
Address:
Phone:
E-mail: fritzwalter@comcast.net
Submitted on: 3/16/2011

Comments:

I oppose SB 367 S.D.3. It is premature and not in the best interests of Hawaii's ratepayers or the people of Lanai and Molokai. If the supporters of this legislation (HECO/First Wind/Castle & Cooke/et al) are certain of the viability of this technology they should be responsible for all the costs/risks associated with it. It should not be placed on the shoulders of the ratepayers of Hawaii. Please defer this Bill.

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 16, 2011 7:01 AM
To: EEPtestimony
Cc: piercemmyers@gmail.com
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Pierce M Myers
Organization: Individual
Address:
Phone:
E-mail: piercemmyers@gmail.com
Submitted on: 3/16/2011

Comments:

"I oppose SB 367 S.D. 3. It is premature and not in the best interests of Hawai'i's ratepayers of the people of Lana'i or Moloka'i. Please defer this Bill." Thoughtful, informed deliberation requires the information provided by a completed an EIS.

The proponents of the Lanai Windfarm have long recommended that Lanai residents not form an opinion about the windfarm until e EIS is completed and made public. I suggest that the same applies to decisionmakers and all related legislation for this project.

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 16, 2011 7:15 AM
To: EEPtestimony
Cc: ajtwhite@hawaii.edu
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Alexander White
Organization: Individual
Address:
Phone:
E-mail: ajtwhite@hawaii.edu
Submitted on: 3/16/2011

Comments:

I oppose SB 367 S.D. 3. It is premature and not in the best interests of Hawai'i's ratepayers or the people of Lana'i or Moloka'i. Please defer this Bill.

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 16, 2011 7:28 AM
To: EEPtestimony
Cc: lydi_morgan@yahoo.com
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Lydi Morgan Bernal
Organization: Individual
Address:
Phone:
E-mail: lydi_morgan@yahoo.com
Submitted on: 3/16/2011

Comments:
Dear Chair Coffman, Chair Herkes, and Members of the Committees,

I oppose this bill because it is not the will of the people.

It is time now to recognize and take up our kuleana: it should be Oahu's responsibility to produce its own power.

I live on Oahu and I would rather see our island take responsibility and work together toward MAJOR changes in the way we use energy, first and foremost through becoming more EFFICIENT and REDUCING our overall energy use.

It is not right to irreparably and disastrously alter other communities and entire islands for Oahu's benefit.

It is important that you PLEASE OPPOSE THIS BILL. Hear the PEOPLE OF HAWAII.

THANK YOU.

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 16, 2011 7:38 AM
To: EEPtestimony
Cc: jankaopuiki@yahoo.com
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Janice Hill
Organization: Individual
Address:
Phone:
E-mail: jankaopuiki@yahoo.com
Submitted on: 3/16/2011

Comments:

I oppose SB 3675.D.3. It is premature and not in the best interests of Hawaii's ratepayers Or the people of Lanai or Molokai. Please defer this bill.

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 16, 2011 7:42 AM
To: EEPtestimony
Cc: beverlyzigmond@juno.com
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Beverly Zigmond
Organization: Individual
Address:
Phone:
E-mail: beverlyzigmond@juno.com
Submitted on: 3/16/2011

Comments:

"I oppose SB 367 S.D. 3. It is premature and not in the best interests of Hawai'i's ratepayers OR the people of Lana'i or Moloka'i. Please defer this Bill."

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 16, 2011 7:42 AM
To: EEPtestimony
Cc: ahakea346@yahoo.com
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: SAMUEL B DIMAYA JR
Organization: Individual
Address:
Phone:
E-mail: ahakea346@yahoo.com
Submitted on: 3/16/2011

Comments:

I oppose SB 367.S.D.3
It is premature and not in the best interest of Hawaii's rate payers or the people of Lanai and Molokai.
Please defer this bill.

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 16, 2011 7:43 AM
To: EEPtestimony
Cc: lanceonlanai@yahoo.com
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Lance Anderson
Organization: Individual
Address:
Phone:
E-mail: lanceonlanai@yahoo.com
Submitted on: 3/16/2011

Comments:
Please vote against this legislation.

We are in a capitalistic system and HECO needs to bear the risks and expenses of the interisland cable if it indeed happens. This is effectively CORPORATE WELFARE for Hawaiian Electric, a company with a market capitalization of \$2,279,678,040 (That's BILLION, as of this morning.) They are far from a corporation in need of a bailout. If HECO needs to raise more money for this project, they can issue bonds, pursue financing on the private market, or have a special stock offering.

This bill would allow HECO to pass on ALL costs and ALL risks from an interisland cable to the state's ratepayers (your constituency.) The effect of "leveling" rates would effectively not lower rates on Lānaʻi, but more likely Substantially increase rates across the state of Hawaii. Please Do the Math, how much is the cost of the cable divided over our state rate payers? We cannot afford this. I live on Lānaʻi and each time I open my electric bill, I am astonished at the rate I pay for the tiny amount of electricity my tiny "green" household uses.

I can only imagine how folks on Oʻahu with air conditioning and larger homes or worse the elderly on fixed incomes and old, inefficient appliances would feel opening a bill from HECO with the amount of electricity they used based on rates similar to ours.

This legislation is also VERY premature. By the use of a programmatic EIS for the proposed wind farm on Lānaʻi without all of the specific required EISs being completed first, the way is being paved for another boondoggle like the Superferry. Now is your chance to avoid being part of the next big multi-year money-wasting news story.

Any 12 year old knows that you cannot do a book report and then go back and read the book afterwards to gain the information. Court challenges are Assured and have a good likelihood of success as well they should if this course is continued in a negligent manner.

Please Vote No and End this act of Corporate Welfare before it goes any further.

Thank You for taking the time to consider this input.

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 16, 2011 7:43 AM
To: EEPtestimony
Cc: ahakea346@yahoo.com
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: ROSELINE C DIMAYA
Organization: Individual
Address:
Phone:
E-mail: ahakea346@yahoo.com
Submitted on: 3/16/2011

Comments:

I oppose SB 367.S.D.3

It is premature and not in the best interest of Hawaii's rate payers or the people of Lanai and Molokai.

Please defer this bill.

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 16, 2011 7:44 AM
To: EEPtestimony
Cc: hanalny@yahoo.com
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM. SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: ROHANA TP DIMAYA
Organization: Individual
Address:
Phone:
E-mail: hanalny@yahoo.com
Submitted on: 3/16/2011

Comments:

I oppose SB 367.S.D.3
It is premature and not in the best interest of Hawaii's rate payers or the people of Lanai and Molokai.
Please defer this bill.

COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Rep. Denny Coffman, Acting Chair

COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Rep. Robert N. Herkes, Chair

Rep. Ryan I. Yamane, Vice Chair

Thursday, March 17, 2011, at 11:00 a.m., Conference Room 325

I am writing today to **STRONGLY OPPOSE** SB 367 S.D.3.

While I acknowledge the need to look for clean energy, we must also look at the real costs. The rate payers and tax payers of this state should not be saddled with the extremely high costs of studying and installing a cable to transmit energy from one island to another. The costs to the rate payers and tax payers is not off-set by the tremendous amount of profit that will go to the private corporations when this project is up and operating.

I agree with the Consumer Advocate that SB 367 S.D. 3 is extremely premature for the following reasons:

- After finding that “Hawaii has an abundance of natural, renewable energy sources from wind, solar, ocean and wave, geothermal and bio-based fuels,” this measure forsakes all other renewable resources in a race to wind, without explanation or citation to studies referenced in the bill that might support this conclusion.
- If this technology were indeed “relatively cost-effective” it would not need tax grants or government incentives to survive.
- It is premised on the existence of one or more industrial power plants on Lana`i and/or Moloka`i, the impacts of which have not even begun to be identified and which are subject to **significant opposition** on both islands, as well as on Maui Island. Further, it addresses a very specific component of “Big Wind”, a transmission cable, a component for which not a single environmental impact has yet been examined.
- This bill additionally burdens Hawaii taxpayers and rate payers and insulates the HECO corporation and its shareholders by:
 - Favorable means such as “surcharge mechanisms;”
 - Allowing HECO’s “revenue requirement” (including an allowed rate of return) to be protected through means such as “automatic adjustment clauses;”
 - Allowing HECO to elect “not to complete the on-island transmission infrastructure” while nonetheless recovering “all reasonable” pre-development and development costs from ratepayers.

It is abundantly clear that this bill is designed to ultimately benefit one corporate entity, both by avoiding or shifting financial risk during the proposed cable production period and the potential to own it after production. Rather than undertaking a state-wide analysis of a state-wide issue to find a state-wide solution, to be applied island-by-island, grid-by-grid, this premature measure would burden the tax and ratepayers with the financial costs of underwriting one solution, that benefits one island, and “kicks the can” down the road for the rest of the state.

Please consider the above and **DEFEAT** this bill while searching for alternatives that consider Hawai`i’s taxpayers and ratepayers and long term effects.

Linda Kay Okamoto,
P.O. Box 630038
Lana`i City, Hawai`i
808-559-0200.

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 16, 2011 8:08 AM
To: EEPtestimony
Cc: rkaye@mdi.net
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Robin Kaye
Organization: Individual
Address:
Phone:
E-mail: rkaye@mdi.net
Submitted on: 3/16/2011

Comments:

This bill is premature. The Programmatic EIS will not be completed until late 2011. How can we establish a regulatory scheme for an undersea cable when we have not identified a single impact from this cable? And there has been no public discussion of the costs for this cable. It is premature and should be deferred until the Programmatic EIS is completed.

COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Rep. Denny Coffman, Acting Chair

COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Rep. Robert N. Herkes, Chair

Rep. Ryan I. Yamane, Vice Chair

Thursday, March 17, 2011, at 11:00 a.m., Conference Room 325

I am writing today to once again **STRONGLY OPPOSE** SB 367 S.D.3.

On January 21, 2011, SB 367 was introduced in "short" form. It was merely a "placeholder," empty of words. At close to six p.m. on February 2, the bill was "filed," fully 22 pages in length and complexity, and the first hearing was scheduled in the House a mere seven days later. Someone had been working on drafting this bill for a very, very long time, yet the public was provided less than a week to absorb and provide timely comment.

Testimony provided by the Consumer Advocate (CA) at the hearing before the Energy and Environment/Consumer Protection Committees on 2/10/11 called the measure: *"somewhat premature as the proposed cable and power source that will deliver the energy to be transmitted over the cable are still subject to various permitting and other reviews before the Public Utilities Commission ("Commission") will be required to review the appropriate application(s) regarding the cable and Big Wind projects."*

The CA also expressed "concern" with respect to SB 367 S.D. 1, as to when: *"ratepayers will be asked to bear costs associated with the cable. Generally, a significant requirement that a utility company must meet before being able to recover costs associated with an investment is that it is "used and useful." As proposed in §269-D(c), page 15, lines 11 to 14, the language suggests that the cable will be used and useful "upon commencing commercial operations." As set forth in the definitions, "commercial operations" will commence after the cable system passes acceptance tests, not when energy is actually being delivered. Thus, ratepayers may be required to pay for the cable system even if the wind farm is not yet ready to transmit energy."* (Emphasis added). Although the CA subsequently testified in support of SB367 S.D. 2 on February 25, presumably because the "commercial operations date" may now be determined by the PUC, the fact remains that the more "risk" assumed by a potential cable provider, the higher the rate of return – which we will pay for – that will be allowed.

While acknowledging on 2/10 that the projects contemplated in this bill (an industrial power plant on Lana`i and a cable and related infrastructure) are a means to transition to "clean energy," the CA recognized that they:

"[A]lso represent potentially adverse impacts on Hawaii residents in terms of culture, lifestyle, financial health, etc. All of the relevant factors must be properly weighed in order to balance the policy of clean energy with the impact on Hawaii's residents." These concerns have not been addressed.

On February 25, 2011, the Public Utility Commission expressed similar concerns before the Senate Ways and Means Committee:

"However, the Commission is still concerned that a certain amount of the potential risk to ratepayers, which may be unavoidable, will continue to exist if a project of this magnitude goes forward."

On the other hand, the Hawaiian Electric Companies (HECO) submitted testimony to the Committee in support of this regulatory structure, which it stated has "the ultimate goal of **interconnecting** the separate island grids." Since the people of Lana`i and Moloka`i are well aware that no such "interconnection" is contemplated, this statement to the Legislature appears disingenuous. HECO also represented that it would rely on actions in addition to the industrial wind plant proposed for Lana`i/Moloka`i, by as an example, putting "solar on customers' rooftops." However, on February 2, 2011, HECO also provided testimony **opposing** SB 182, a measure designed to do just that, facilitate putting solar on residential rooftops through on-bill financing. HECO said it was too expensive.

For SB367, HECO assured the Committee that it would "collect the surcharge payment from electric customers on behalf of the transmission utility, just as Hawaiian Electric now collects the PUC fee and public benefits fund surcharges, **with no mark up or profit.**" However, SB 367 does just that, it insures HECO a fee: "269-D Surcharge (b): The commission **SHALL** approve a fee, to be collected by the electric utility company [] for acting as the collection agent [] for the cable company." (Emphasis added).

Despite changes in language, as a ratepayer I continue to believe that SB 367 S.D. 3 is extremely premature for the following reasons:

- After finding that “Hawaii has an abundance of natural, renewable energy sources from wind, solar, ocean and wave, geothermal and bio-based fuels,” this measure forsakes all other renewable resources in a race to wind, without explanation or citation to studies referenced in the bill that might support this conclusion.
- If this technology were indeed “relatively cost-effective” it would not need tax grants or government incentives to survive.
- It is premised on the existence of one or more industrial power plants on Lana`i and/or Moloka`i, the impacts of which have not even begun to be identified and which are subject to **significant opposition** on both islands, as well as on Maui Island. Further, it addresses a very specific component of “Big Wind”, a transmission cable, a component for which not a single environmental impact has yet been examined.
- Without industrial power sites on our islands of Lana`i and Moloka`i, as it stands today measures that protect HECO’s “credit quality” are unwarranted at this time, and do not require a comprehensive overhaul of HRS §§ 269, 235, 239 and 240.
 - HECO admitted as much in its testimony before the Senate Ways and Means Committee on February 25:
“Obviously, the project has three major parts -- one or more wind farms on neighbor islands, the cable system and the Oahu upgrades. Failing any one, the others are not needed or do not make sense.”
- SB 367 S.D. 3 insulates potential cable developers by allowing “non-recourse project financing.” Recent estimates of private equity invested by developers in cable projects can be as low as 10%.
- This bill additionally burdens Hawaii taxpayers and rate payers and insulates the HECO corporation and its shareholders by:
 - Favorable means such as “surcharge mechanisms;”
 - Allowing HECO’s “revenue requirement” (including an allowed rate of return) to be protected through means such as “automatic adjustment clauses;”
 - Allowing HECO to elect “not to complete the on-island transmission infrastructure” while nonetheless recovering “all reasonable” pre-development and development costs from ratepayers.

It is abundantly clear that this is a **special interest** measure, designed to ultimately benefit one corporate entity, both by avoiding or shifting financial risk during the proposed cable production period and the potential to own it after production. Rather than undertaking a state-wide analysis of a state-wide issue to find a state-wide solution, to be applied island-by-island, grid-by-grid, this premature measure would burden the tax and ratepayers with the financial costs of underwriting one solution, that benefits one island, and “kicks the can” down the road for the rest of the state.

On November 18, 2010, the Public Utilities Commission issued a Decision and Order in Docket No. 2009-0327 finding that HECO had failed to comply with a competitive bidding requirement when it negotiated with two nonconforming bidders (Castle and Cooke and First Wind Hawaii) seeking to erect power plants on Lana`i and Moloka`i. The PUC found that HECO had essentially “avoided any ‘substantive evaluation’ of the Big Wind proposals altogether.” While the PUC granted HECO a requested after-the-fact waiver, it was subject to “fully executed term sheets” from both C&C and FWH to be filed by March 17, 2011. That is today, and there is no term sheet from FWH, Given this failure to comply with a PUC-imposed condition, there is scant evidence that it will do so in the future, as suggested by the language of SB367. There is simply no evidence of public record that HECO, the state, or known potential bidders have undertaken a comprehensive planning process sufficient to protect Hawai`i’s ratepayers.

Please consider the above and **DEFEAT or DEFER** this bill while searching for alternatives to meet the non-binding standards contained in § 269, ones that consider Hawai`i’s taxpayers and ratepayers over corporate interests.

Submitted by: Sally Kaye, 511 Ilima Ave., P.O. Box 631313, Lana`i City, Hawai`i, 808-565-6276.

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 16, 2011 8:33 AM
To: EEPtestimony
Cc: jayfp@hawaii.edu
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Jay Penniman
Organization: Individual
Address:
Phone:
E-mail: jayfp@hawaii.edu
Submitted on: 3/16/2011

Comments:

This bill is premature and not in the interest of the people of Lana'i or the state of Hawaii. The EIS must be completed first & true sustainable energy choices made. Do not committ us to an un proven path.
Mahalo.

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 16, 2011 8:56 AM
To: EEPtestimony
Cc: bg325@hotmail.com
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: comments only
Testifier will be present: No
Submitted by: Butch Gima
Organization: Individual
Address:
Phone:
E-mail: bg325@hotmail.com
Submitted on: 3/16/2011

Comments:

I oppose SB 367 S.D. 3. It is premature and not in the best interests of Hawai`i's ratepayers or the people of Lana`i or Moloka`i. Please defer this Bill.

March 17, 2011

Testimony in Opposition to SB 367, SD3

To Committee on Energy and Environmental Protection
Representative Danny Coffman, Acting Chair

and

To Committee on Commerce and Consumer Protection
Representative Robert Herckes, Chair and Brian Yamane, Vice-Chair

My name is Annette Kaohelaulii and I live in Kaneohe. Thank you for the opportunity to present my views.

I am writing in strong opposition to Senate Bill 367, SD3. Not only is this proposal premature, it seems to benefit only Hawaiian Electric Company. It certainly does not benefit the ratepayers of the utility and the taxpayers of the state who are being required to take the risk for a private companys investment in clean energy.

I am all for Hawaii getting off of oil, but I would like to hear a lot more noise about conservation of the energy we have and a lot more awareness of the fact that we all live on an island.

I don't see Servco coming to the legislature to propose legislation that requires every person who drives a car to buy a Prius. It is hard to understand why the proposal for this special legislation for a public utility (which is a monopoly) has advanced this far. Hawaiian Electric should take the risk of investing in the cable and the related infrastructure if it is such a viable project. Once energy is being produced and distributed to Oahu then the ratepayers should be required to help pay for it.

It is your task to protect the interests of all the residents of the state of Hawaii. Don't let broad, far ranging proposals become law without adequate deliberation and consideration first.

Please vote no on SB 367 SD3.

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 16, 2011 9:17 AM
To: EEPtestimony
Cc: bondma@cs.com
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Michael Bond
Organization: Individual
Address:
Phone:
E-mail: bondma@cs.com
Submitted on: 3/16/2011

Comments:

As a former energy company CEO and an advisor to over 70 of the world's largest energy companies, I totally oppose SB 367 S.D. 3. It is a terrible scam and will make a joke of Hawaii in international investment banking. Neither the wind project nor the cable will be cost-effective; you are adding billions of dollars of burden to Hawaii rate payers. It is opposed by over 95% of the people of Molokai. Please kill or at least defer this bill.

Thank you,

Michael Bond
Bond Investment Group
P.O. Box 511
Kaunakakai, HI 96748

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 16, 2011 9:22 AM
To: EEPtestimony
Cc: peggy@bondcarr.com
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Peggy Lucas Bond
Organization: Individual
Address:
Phone:
E-mail: peggy@bondcarr.com
Submitted on: 3/16/2011

Comments:

SB 367 is a ludicrous attempt to transfer the multi-billion dollar costs of an indefensible porkbarrel bill onto the ratepayers of Hawaii. I am an ocean engineer and an electrical engineer with years of experience in marine projects, and from this experience I believe this will be a total failure and will cause great economic harm to the people of Hawaii. Please actively oppose or at least defer SB 367 S.D. 3.

Thank you,

Peggy Lucas Bond

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 16, 2011 9:52 AM
To: EEPtestimony
Cc: fireearth19@hotmail.com
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Mary Jorgensen
Organization: Individual
Address:
Phone:
E-mail: fireearth19@hotmail.com
Submitted on: 3/16/2011

Comments:

I oppose SB 367 S.D. 3. It is premature and not in the best interests of Hawai'i's ratepayers or the people of Lana'i or Moloka'i. Please defer this Bill.

Please see this article on endangered species issues:

<http://www.nytimes.com/gwire/2011/02/25/25greenwire-species-rich-hawaii-poses-unique-challenges-fo-62040.html?emc=eta1>

Mahalo

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 16, 2011 10:29 AM
To: EEPtestimony
Cc: leticia@wave.hicv.net
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Leticia Castillo
Organization: Individual
Address:
Phone:
E-mail: leticia@wave.hicv.net
Submitted on: 3/16/2011

Comments:

I strongly oppose this bill because it will cost me more money. I am already paying high cost of electricity and you are saying that I will be paying more to HECO to pay for their cable? What benefit do we, the Lanai residents have. We are already paying to high of everything and now I am asked to pay more to benefit the company that are charging us high cost of electricity? Besides, where are they going to run the cable if Lanai and Molokai waters are Whale Sanctuary. Are they going to send those whale away wherein people that come to our islands from other place, enjoy those whales? I am therefore asking your kindness to oppose to this bill SB367.

Thank you.

Leticia Castillo

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 16, 2011 10:52 AM
To: EEPtestimony
Cc: nrw@hawaii.edu
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Nicholas Wilhoite
Organization: Individual
Address:
Phone:
E-mail: nrw@hawaii.edu
Submitted on: 3/16/2011

Comments:

I STRONGLY oppose SB 367 S.D. 3. It is premature and not in the best interests of Hawai'i's ratepayers or the people of Lana'i or Moloka'i, as well as supporting the continued mistreatment of Hawaii residents in favor of big money and companies. PLEASE DEFER THIS BILL.

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 16, 2011 10:54 AM
To: EEPtestimony
Cc: testimony.hi.legislature@gmail.com
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Jon Shimizu
Organization: Individual
Address:
Phone:
E-mail: testimony.hi.legislature@gmail.com
Submitted on: 3/16/2011

Comments:
Thank you for the opportunity to testify.

I oppose SB 367, in all of its iterations including SD3, for the following reasons:

- a. Premature to the comprehensive study of the potential, long-lasting consequences of the cable and the system in its entirety;
- b. Less invasive alternatives have not been fully studied in the rush toward "sustainability"; and
- c. The concerns of stakeholders directly affected by the consequences have not yet been adequately addressed.

In your role as legislators, you do not have the luxury of being true only to yourself or special interests; you must endeavor to be true to the people of Hawaii as a whole - past, present and future. You may choose not to start your day at the Capitol with prayer, but at least preface your work with the thought of Einstein's words, "The problems that exist in the world today cannot be solved by the level of thinking that created them."

Please defer SB367 until you can honestly say to yourself and others that you have done right by that measure.

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 16, 2011 10:55 AM
To: EEPtestimony
Cc: chris@mumfordfamily.com
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Christine Mumford
Organization: Individual
Address:
Phone:
E-mail: chris@mumfordfamily.com
Submitted on: 3/16/2011

Comments:

"I oppose SB 367 S.D. 3. It is premature and not in the best interests of Hawai'i's ratepayers or the people of Lana'i or Moloka'i. Please defer this Bill."

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 16, 2011 12:02 PM
To: EEPtestimony
Cc: mcatiel@yahoo.com
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Mary E. Catiel
Organization: Individual
Address:
Phone:
E-mail: mcatiel@yahoo.com
Submitted on: 3/16/2011

Comments:

Strongly suggest this Bill be deferred as not in the best interest of Hawaii's rate payer or certainly not the people of Lanai or Molokai. mahalo!

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 16, 2011 12:04 PM
To: EEPtestimony
Cc: sashalahela@hotmail.com
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Sasha Catiel
Organization: Individual
Address:
Phone:
E-mail: sashalahela@hotmail.com
Submitted on: 3/16/2011

Comments:

I oppose SB 367. It is premature and not in the best interest of Hawaii's ratepayers for the people of Lana'i and Moloka'i. Please defer this Bill.

Fairfax Reilly
468 Ahakea Street
P.O. Box 630111
Lanai City, HI 96763

March 16, 2011

Dear Representatives Coffman, Herkes and Yamani:

Re: SB367 SD3 OPPOSE

I oppose SB367 SD3 from the view of a resident of Lana'i, a taxpayer within the State of Hawaii and the United States and a ratepayer as a consumer of electric power.

I believe the current proposal is neither a wise nor the most cost-effective investment of our taxpayer/ratepayer funds. The preamble of the bill takes this model as the "best practices solution" to achieve Hawai'i's reduction of use of oil. Nowhere have these studies been provided to the residents. Please ensure that the conclusions of fact implied in these bills are transparent and fully available for public comment.

In addition as an investors of the taxes and bills through unending surcharges residents are due a detailed description of the funding sources and the full accounting of the funds to the utilities, landowners, developers, operators and owners of the project.

The bill essentially provides for an open-ended commitment to fund all costs, profits and any additional charges to every taxpayer and ratepayer on all islands forever. Transparency of the alternatives to this burden is essential for full public disclosure.

Further I recommend the establishment of a liability fund to be established immediately with detailed administrative rules to permit all parties to file claims for losses as in the case of the BP oil disaster in the Gulf to protect all of us from unending liability.

I believe that an appropriate alternative is island-by-island determination of energy needs. This bill clearly is an "O'ahu-centric solution" that provides no clear benefit to neighbor islands and is expensive in the extreme for no clear benefit to the objective.

Sincerely

**Testimony before the House Committees on
Energy & Environmental Protection and
Consumer Protection & Commerce**

**By Scott Seu
Vice President, Energy Resources
Hawaiian Electric Company**

March 17, 2011

**Senate Bill 367, SD 3
Relating to Renewable Energy**

Chairs Coffman and Herkes, Vice Chair Yamane, and Members of the Committees:

I am testifying today on behalf of Hawaiian Electric Company in support of SB 367, SD 3. The bill establishes a regulatory structure under which the Public Utilities Commission (PUC) could oversee certification of an independent transmission utility to commercially develop, finance and construct an undersea energy transmission cable system to transmit clean, renewable energy between the Hawaiian islands. We believe that SB 367, SD 3 provides a strong public policy foundation and regulatory structure to protect the public interest with the ultimate goal of interconnecting the separate island grids.

Background

Under the State's Renewable Portfolio Standard (RPS) law, Hawaiian Electric Company is mandated to generate 25% of our electricity from renewable resources by the year 2020 and 40% by 2030. This is a very aggressive goal, but one which we are determined to meet. There is no single "silver bullet" of renewable energy that will help us achieve this goal: it will take all forms, including wind, solar, hydro, wave energy, geothermal, biofuels and eventually we hope ocean thermal energy conversion (OTEC) to get us to the target.

Part of our challenge is geographic: the demand for electricity is greatest on Oahu, but the greatest renewable resources are on the neighbor islands where demand is far lower. With partners, we are doing as much as we can on

Oahu, including more waste-to-energy (H-POWER and others on the drawing boards); wind farms at Kahuku and above the North Shore and perhaps elsewhere; utility scale solar farms at Kalaeloa and Mililani, plus solar on customers' rooftops. Oahu has no geothermal potential and no rivers strong enough to provide hydropower. So even with doing as much as we can, this island's renewable resources are not sufficient to meet the demand created by all who live and work here.

For the past two years, the State of Hawaii, U. S. Department of Energy, and Hawaiian Electric have been exploring the feasibility of an inter-island undersea electrical cable system that would be able to transmit wind generated energy from Lanai and Molokai, which has some of the best wind in the world, to Oahu. It is estimated that the electricity from 400 megawatts (MW) of wind power from those islands would provide about 20% of Oahu's energy. (It would actually displace about 35% of Oahu's oil use for electricity production, providing a very substantial hedge against fluctuating oil prices.)

By providing a statewide electrical grid and a way to move renewable energy from where it is abundant to where it is needed, the inter-island cable will help our State achieve a clean energy future and enable us to reach the State goal of 70% clean energy by 2030.

Bill description

Under the proposed bill, the bulk of the risk and responsibility for permitting, designing, engineering, financing, constructing and commissioning the cable would be assumed by a private developer who would be selected through a competitive request for proposal (RFP) process supervised and approved by the PUC. This would allow the cable system to be developed at a lower cost to electric customers than if Hawaiian Electric or the State were to develop it, given Hawaiian Electric's financial rating and the State's strained budget.

This approach was essentially successfully used for the Trans Bay Project to bring 400 MW of power to San Francisco from a generating facility across the bay in Pittsburg, California.

The structure proposed in the bill establishes a certification process, by which the PUC would certify and regulate a cable developer selected through competitive bidding as a public utility. During certification, public hearings would be conducted on each island potentially to be connected by a cable system to invite public comment and input. Once certified, a cable developer would be regulated as a transmission utility by the PUC and subject to PUC utility rules, regulations and processes.

As part of certification, the PUC would set a fair rate of return on investment to the transmission utility, taking into account the risks assumed by the developer. Upon commercial operation, the transmission utility would be able to recover its cable development and construction costs through a PUC-approved surcharge.

Hawaiian Electric would collect the surcharge payment from electric customers on behalf of the transmission utility, just as Hawaiian Electric now collects the PUC fee and public benefits fund surcharges, with no mark up or profit to Hawaiian Electric.

The completed undersea cable system would be owned and operated by the transmission utility, unless Hawaiian Electric exercises an option to purchase it, subject to PUC approval.

The bill also allows for Hawaiian Electric to recover its prudently incurred capital costs to construct the Oahu infrastructure needed to connect to the cable system and distribute electricity brought via undersea cable to Oahu.

Rationale for regulatory structure

The proposed structure would allow the cable developer to finance the project on better terms -- that is, at lower cost -- which ultimately would benefit all electricity customers, in effect all residents and businesses on Oahu.

At the same time, this bill still ensures that regulatory oversight is required for all key decisions.

Hawaiian Electric is regulated by the PUC. We cannot collect any monies from our customers via a surcharge or adjustment clause unless it is first reviewed and approved by the PUC. In addition, the Consumer Advocate would also be a party to any request for approval of use of a surcharge or automatic adjustment clause. Both the PUC and the Consumer Advocate would need to determine whether the proposal is just, reasonable and in the public interest.

The proposed legislation creates a regulatory structure wherein the cable developer would also be under the purview of the PUC and subject to regulation. Choosing the appropriate cable developer for the project would be subject to an RFP process with oversight from the Commission.

There is an option for the electric utility to purchase the underwater cable system at some future time. Such transfer would still require approval of the PUC and review by the Consumer Advocate. The potential to sell the cable system after construction is complete and it is in routine operation could make the project more attractive to developers whose core business is construction and thus may invite more and better bidders. However, once construction is complete and routine operations and maintenance are underway, the cable might be more efficiently operated by Hawaiian Electric, which is already experienced in operating all other electric transmission on Oahu. Again, that will be a matter for the PUC to decide.

The proposed legislation also allows the electric utility to recover any prudently incurred costs should it be determined, with PUC approval, that it is not necessary to complete the on-island infrastructure.

Perhaps it is worth also being clear about what this bill does not do. It would not approve or make the decision to proceed with the project. It would not remove any responsibility for parties to consult the impacted communities, prepare fully accepted EIS documents, or gain any of the other permits and approvals needed.

It does establish a framework for the PUC to control the process and make the decisions that it does not today have the explicit power to make, as this sort of project has never happened before.

Obviously, the project has three major parts -- one or more wind farms on neighbor islands, the cable system and the Oahu upgrades. Failing any one, the others are not needed or do not make sense. And this bill specifically establishes the PUC as the government authority to make sure that the wind farms are coming, and that the upgrades are coming, BEFORE committing to allow the cable. Failing this, no one really has the power today to protect the public interest by ensuring that no part goes forward if all parts do not go forward. The approval of the PPAs will govern the utilities and wind farm developers, certification and approval of the transmission utility will govern the cable developer.

We urge the Committees to pass this bill. Thank you for the opportunity to testify.



CONSERVATION COUNCIL FOR HAWAII

Testimony Submitted to the House Committee on Energy and Environmental Protection
and House Committee on Consumer Protection and Commerce

Hearing: Thursday, March 17, 2011

11 am

Room 325

Opposition to SB 367 SD 3

Aloha. The Conservation Council for Hawai'i opposes SB 367 SD 3. We are concerned about the environmental impacts associated with the proposed cable and wind power plants on Lana'i and Moloka'i. An environmental impact statement should be prepared, including the required impact analyses of the cable project, power plants, and associated infrastructure should be prepared before the State establishes a regulatory framework for the proposed cable.

Please hold this bill until an environmental impact statement is prepared and the environmental review process is completed.

Thank you for the opportunity to testify.

Marjorie Ziegler



Hawai'i's Voice for Wildlife – *Ko Leo Hawai'i no na holoholona lohiu*

Telephone/Fax 808.593.0255 • email: info@conservehi.org • web: www.conservehi.org

P.O. Box 2923 • Honolulu, HI 96802 • Office: 250 Ward Ave., Suite 212 • Honolulu, HI 96814

President: Hannah Springer * Vice-President: Julie Leialoha * Treasurer: Kim Ramos * Secretary: Maka'ala Ka'aumoana

Directors: Rick Barboza * Madelyn D'Enbeau * Maura O'Connor *

Executive Director: Marjorie Ziegler

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 16, 2011 12:55 PM
To: EEPtestimony
Cc: osako@wave.hicv.net
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Warren Osako
Organization: Individual
Address: -
Phone:
E-mail: osako@wave.hicv.net
Submitted on: 3/16/2011

Comments:

As a resident of Lana'i I oppose this bill. It is premature and would put all the costs on the rate payers including those on Lana'i and Moloka'i who would not benefit from the project yet would have to pay the costs.

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 16, 2011 1:31 PM
To: EEPtestimony
Cc: wkoep@yahoo.com
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Wilma C. Koep
Organization: Individual
Address:
Phone:
E-mail: wkoep@yahoo.com
Submitted on: 3/16/2011

Comments:

I oppose SB 367 S.D. 3. It is premature and not in the best interests of Hawai`i's ratepayers or the people of Lana`i or Moloka`i. Please defer this Bill. Thank you.

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 16, 2011 2:36 PM
To: EEPtestimony
Cc: franny234@hotmail.com
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Frances Kinslow
Organization: Individual
Address:
Phone:
E-mail: franny234@hotmail.com
Submitted on: 3/16/2011

Comments:

Please defer this bill. It is unfair to pass 100% of the costs of this endeavor onto the consumers when it is the companies which will make/save money. The companies must bear some of the burden. Certainly this decision should not be made until the costs are better known.



Hawaii's Thousand Friends

25 Malunui Ave., Suite 102., PMB 282 • Kailua, HI 96734 • Phone/Fax: (808) 262-0682 E-mail: htf@lava.net

March 17, 2011

COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Rep. Denny Coffman, Acting Chair

COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Rep. Robert Herkes, Chair
Robert, Ryan Yamane, Vice Chair

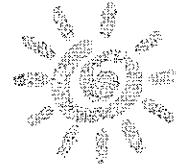
SB 367 SD3
RELATING TO ENERGY

Committee chair and members;

Hawaii's Thousand Friends, a statewide non-profit water and land use planning organization, opposes SB 367 SB3 that establishes a regulatory structure for the installation and implementation of an interisland high voltage electric transmission cable system and for the construction of on-island transmission infrastructure. Allows the utility company to collect surcharges from ratepayers, recover costs of acquiring the cable system and developing the on island infrastructure for the following reasons.

1. This legislation is premature. The Federal Programmatic Environmental Impact Statement (PEIS) process has just begun and will not be completed until April 2012.
2. A project-specific EIS that includes each project component (wind farms, undersea cable, and Oahu grid upgrades including costs) will be needed and will be coordinated with the PEIS once the PEIS is completed and accepted.
3. Projects of the magnitude proposed in SB 367 SD3 must be considered comprehensively including the electric utility company's revenue requirements and how those requirements will be met. *In other words who will pay for what and how much?*
4. SB 367 SD3 absolves HECO of any financial responsibility before the environmental review process has even begun, cable and other infrastructure costs have been determined, and on land infrastructure needs evaluated.

Without rational or information such as will be found in the PEIS and an EIS SB 367 SD3 prematurely places all the financial burden of the undersea cable and land infrastructure on the backs of all rate payers in the state of Hawai'i. This is not fair, it is not right and the bill must be held in committee.



LIFE OF THE LAND

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COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Rep. Denny Coffman, Acting Chair

COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Rep. Robert N. Herkes, Chair

Rep. Ryan I. Yamane, Vice Chair

DATE: Thursday, March 17, 2011

TIME: 11:00am

PLACE: Conference Room 325

SB 367 SD3

OPPOSE

Aloha Chairs Coffman and Herkes, and Members of the Committee.

My name is Henry Curtis and I am the Executive Director of Life of the Land, Hawai'i's own energy, environmental and community action group advocating for the people and `aina for four decades. Our mission is to preserve and protect the life of the land through sound energy and land use policies and to promote open government through research, education, advocacy and, when necessary, litigation.

In 2008 the Bush-Lingle-Aiona Administration and Hawaiian Electric Company (HECO) created the Hawaii Clean Energy Initiative (HCEI) and signed an Energy Agreement calling for Hawai'i to have 70% of its non-aviation energy come from clean energy sources by 2030. That is, in 2030 the mix for Hawai'i's electricity and ground transportation will be 70% clean energy and 30% fossil fuel.

On May 01, 1979 Hawaii Natural Energy Institute (HNEI) published a manuscript entitled "Energy self-sufficiency for the city and county of Honolulu." The analysis showed that "Oahu can reach complete self-sufficiency by 2025." That is, 100% of O`ahu's electricity and ground transportation fuel would come from renewable energy.

Since O`ahu uses 75% of the electricity and the ground transportation fuel in the State, adopting O`ahu's 1979 plan would fully achieve and surpass the HCEI 2030 goals.

The Electric Power Research Institute (EPRI) is the national research organization representing utilities like HECO. EPRI members include energy companies which produce 90% of all of the electricity generated in the U.S. In 2004-05 EPRI said that O`ahu could be energy self-sufficient utilizing only wave energy.

SB 367 SD3 states that O`ahu lacks the renewable energy resources to be self-sufficient.

Is it really renewable energy resources or political will that we are lacking?

Mahalo

Henry Curtis

coffman3 - Sean

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 16, 2011 4:42 PM
To: EEPtestimony
Cc: anmevans@gmail.com
Subject: Testimony for SB367 on 3/17/2011 11:00:00 AM

Follow Up Flag: Follow up
Flag Status: Flagged

Testimony for EEP/CPC 3/17/2011 11:00:00 AM SB367

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Martha Evans
Organization: Individual
Address:
Phone:
E-mail: anmevans@gmail.com
Submitted on: 3/16/2011

Comments:

I oppose SB 367 S.D. 3. It is premature and not in the best interests of Hawai'i's ratepayers or the people of Lana'i or Moloka'i. Please defer this Bill.