



LATE

HB 1176 HD2
RELATING TO RENEWABLE ENERGY TRANSMISSION CABLE
House Committee on Finance

February 28, 2011

10:30 a.m.

Room 308

The Office of Hawaiian Affairs (OHA) offers the following **COMMENTS** on HB 1176 HD2. This bill establishes the regulatory structure under which inter-island undersea energy transmission cables could be commercially developed, financed, and constructed.

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 HB 1176 HD2 – at this point appears presumptuous when the environmental impact analysis of these projects are still at a preliminary stage. 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.

LATE



LIFE OF THE LAND

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COMMITTEE ON FINANCE
Rep. Marcus R. Oshiro, Chair
Rep. Marilyn B. Lee, Vice Chair

DATE: Monday, February 28, 2011
TIME: 10:30 A.M.
PLACE: Conference Room 308
HB 1176 – Interisland Cable

OPPOSE

Aloha Chair Oshiro, Vice Chair Lee 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.

Life of the Land finds it ironic that the Finance Committee in this hearing HB 1976 to expand biofuel facilities and HB 1176 which says the only solutions are solar and wind even though the Hawai'i Clean Energy Initiative has also identified biomass, geothermal and ocean energy as solutions. It is as if there does not need to be consistency.

The bill is predicated on the fact that O`ahu lacks renewable energy resources to provide its own power.

According to analysis by the U.S. Department of Energy's National Renewable Energy Laboratory, the solar energy that lands on O`ahu can power the State several times over.

According to the Electric Power Research Institute, Oahu-based cost effective wave energy conversion systems can power the island.

Wind power onshore can generate 200MW and offshore another 600 MW.

O`ahu based ocean thermal energy conversion (OTEC) can power the State.

The other problem with the bill is Redundancy

In the longest transmission line fight in State history, in a project with 12 different names (Wa`ahila Ridge, Kamoku-McCully, Kamoku-Pukele, Pukele Kamoku, etc.), 2 Draft Environmental Assessments, 3 Final Environmental Impact Statements and three Conservation District Use Applications (CDUAs) waged over 31 years, HECO repeatedly argued that we cannot rely on an outside source for energy backup, and therefore we absolutely are required to have three lines at all times. One might be taken down for maintenance, when the second crashes and therefore a third line is absolutely required.

The three Independent Power Producers in Campbell Industrial Park (AES, Kalaeloa, and HPOWER) produce 400-500MW of power. HECO told the Public Utilities Commission that tying those systems to the utility grid with two transmission lines following two different routes was insufficient; that a minimum of three lines is mandated. HECO has repeatedly argued that it does not matter how new the lines are, that any line can fail. They pointed to the New Zealand blackout as proof.

Now you are being asked to support tying 400 MW to O`ahu on a single line.

Mahalo

Henry Curtis

LATE TESTIMONY

WRITTEN TESTIMONY OF CARLITO P. CALIBOSO
CHAIRMAN, PUBLIC UTILITIES COMMISSION
DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE
HOUSE COMMITTEE ON FINANCE

FEBRUARY 28, 2011

MEASURE: H.B. No. 1176 HD2
TITLE: Relating to Renewable Energy Transmission Cable.

Chair Oshiro 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 hearing on a previous version of this bill, the Commission expressed its concerns,¹ and most of those concerns were addressed in the current draft to the extent that they possibly could be. 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.

Thank you for the opportunity to testify.

¹PUC Testimony on HB 1176 HD2 to House Joint Committees on Energy and Environmental Protection and Consumer Protection and Commerce on February 10, 2011.



TESTIMONY OF TAWHIRI POWER LLC
ON HB 1176, HD 2
BEFORE THE HOUSE COMMITTEE ON FINANCE
MONDAY, FEBRUARY 28, 2011 AT 10:30 a.m.

TO THE HONORABLE CHAIR OSHIRO AND MEMBERS OF THE
COMMITTEE:

Tawhiri Power LLC ("TPL")¹ is an advent supporter of renewable energy, especially wind energy. However, TPL opposes HB1176, HD2 and respectfully ask that the Committee hold this measure for the following reasons:

1. The measure is premature. The social, economic, and environmental impacts of an inter-island undersea energy transmission cable needs to be studied and public input must be received before any legislation is entertained;
2. The inter-island undersea energy transmission cable has not been determined to be the best alternative under the Public Utilities Commission and the electric utilities established Intergrated Resource Planning process;
3. Projects of the magnitude of the inter-island undersea energy transmission cable must be considered comprehensively; e.g. who will pay for what and how much?;
4. It is against public policy to pass legislation that will only benefit a few specific entities to the detriment of the general public.

Thank you for the opportunity to testify.

¹ TPL is an Independent Power Producer ("IPP") that owns and operates Pakini Nui Wind Farm located in the South Point Area on the Island of Hawaii. The Pakini Nui plant generates renewable energy that is sold to the Hawaii Electric Light Company, Inc. pursuant to a Power Purchase Agreement. TPL is also a party to the Feed-In Tariff Docket currently before the Hawaii Public Utilities Commission.

FINTestimony

From: Sandie Wong [sawonglaw@hawaii.rr.com]
Sent: Sunday, February 27, 2011 10:10 PM
To: Mailing List; FINTestimony
Subject: RE: Testimony for HB1176 on 2/28/2011 10:30:00 AM

Importance: High

Sorry, typo. We cannot "support this bill" Tawhiri Power strongly opposes HB1176, HD2.

-----Original Message-----

From: mailinglist@capitol.hawaii.gov [mailto:mailinglist@capitol.hawaii.gov]

Sent: Sunday, February 27, 2011 10:05 PM
To: FINtestimony@capitol.hawaii.gov
Cc: sawonglaw@hawaii.rr.com
Subject: Testimony for HB1176 on 2/28/2011 10:30:00 AM

Testimony for FIN 2/28/2011 10:30:00 AM HB1176

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Tawhiri Power
Organization: Tawhiri Power
Address:
Phone:
E-mail: sawonglaw@hawaii.rr.com
Submitted on: 2/27/2011

Comments:

Tawhiri is a strong supporter of wind energy, but cannot support this bill. The measure is premature because the economic, social, and environmental impacts of cable have not been vetted by all stakeholders. It should not be allowed to bypass the Intergrated Resource Process. This legislature is a special interest bill.