

NEIL ABERCROMBIE  
Governor



State of Hawaii  
DEPARTMENT OF AGRICULTURE  
1428 South King Street  
Honolulu, Hawaii 96814-2512

RUSSELL S. KOKUBUN  
Chairperson, Board of Agriculture

JAMES J. NAKATANI  
Deputy to the Chairperson

TESTIMONY OF RUSSELL S. KOKUBUN  
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEES ON ENERGY AND ENVIRONMENTAL  
PROTECTION AND AGRICULTURE

WEDNESDAY, FEBRUARY 9, 2011  
8:30 A.M.  
CONFERENCE ROOM 312

HOUSE BILL NO. 1386  
RELATING TO FUEL TAXES

Chairs Morita and Tsuji and Members of the Committees:

Thank you for the opportunity to testify on House Bill No. 1386. The purpose of this bill is to amend Section 243-3.5, the Environmental Response, Energy, and Food Security Tax by increasing the barrel tax by one dollar to a total of \$2.05, allocating an equal share of this increase to the Department of Business, Economic Development and Tourism's Energy Security Special Fund and the Department of Agriculture's Agricultural Development and Food Security Special Fund, and not reallocating the undistributed sixty cents presently going to the General Fund.

The Department of Agriculture supports the intent of this measure but also realizes that the constraints on the State budget and the community require balancing this request in the context of other priorities. However, should the funds become available for the purposes stated in this bill, the Department of Agriculture is prepared to utilize the revenues for the projects and programs as described in the attachment to our testimony.

The equal distribution of the undistributed sixty cents between the Agriculture and Energy special funds is one of the recommendations made by the Hawaii Economic



**Estimated Cost Per Fiscal Year for All Agricultural Development & Food Security Special Fund Projects Organized by Allowable Uses (HRS Ch. 141)**

Note: Priorities for HDOA operations are shown in bold.

Note: \*\* denotes funding from both the Agricultural Development & Food Security and Energy Security special funds.

Note: Appendix B contains any proposals that were submitted. The numbers in parenthesis in the table below indicate the proposal # in Appendix B.

	FY 12	FY 13	FY 14	FY 15	Total
<b>A. The awarding of grants to farmers for agricultural production or processing activity</b>					
Livestock Feed Reimbursement program (2 yrs)	2,000,000	2,000,000			4,000,000
Grants to farmers to address pest issues, alternative energy	TBD				TBD
Irrigated pasture	\$370,000	110,000	110,000	110,000	700,000
<b>B. The acquisition of real property for agricultural production or processing activity</b>					
Acquire private agriculture lands or ag. easements	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
<b>C. The improvement of real property, irrigation systems and transportation networks necessary to promote agricultural production or processing activity</b>					
County IAL mapping	200,000	200,000	200,000	200,000	800,000
Private irrigation systems serving IAL -matching funds for CIP **	\$4,000,000	4,000,000	4,000,000	4,000,000	16,000,000
Pipe Schofield R-1 wastewater for agriculture use in Kunia	TBD				TBD
Well infrastructure renovation in Ka'u	TBD				TBD
Water tunnel renovations and distribution pipelines on Kauai	TBD				TBD
Assist with costs for dam safety certification	TBD				TBD
Fund additional irrigation workers for state irrigation systems	TBD				TBD
Value added facilities, certified kitchens	TBD				TBD
Consolidation and marshalling facilities at the ports	TBD				TBD
Improvements to Kula Vacuum Cooling Plant	TBD				TBD
Subsidize transportation costs	TBD				TBD

F. The funding of agricultural inspector positions within the department of agriculture. (Statutory language should be expanded to include all biosecurity-related positions and activities in HDOA.)						
		FY 12	FY 13	FY 14	FY 15	Total
	<b>Funding of PQ and commodities inspector positions</b>	<b>1,018,456</b>	<b>1,018,456</b>	<b>1,018,456</b>	<b>1,018,456</b>	<b>4,073,824</b>
	Additional HDOA positions requested by industry	TBD				TBD
	<b>Continue Invicta database development</b>	<b>200,000</b>	<b>200,000</b>			<b>400,000</b>
	Maui Biosecurity harbor infrastructure improvements	TBD				TBD
G. The promotion and marketing of agricultural products grown or raised in the state						
	Developing a Hawaii Grown Tea Industry (Appendix B #13)	114,504	117,654	122,332	128,350	482,840
	Hawaii Coffee Growers Association Trade Shows (Appendix B #14)	40,000	40,000	40,000	40,000	160,000
	Hawaii House in Shanghai	50,000	50,000	50,000	50,000	200,000
	Public education, marketing and promotion	TBD				TBD
	Agricultural Education in schools	TBD				TBD
	Permanent locations to showcase agriculture	TBD				TBD
H. Any other activity intended to increase agricultural production or processing that may lead to reduced importation of food, fodder, or feed from outside the state.						
	<b>Funding of Entomologist positions</b>	<b>255,995</b>	<b>255,995</b>	<b>255,995</b>	<b>255,995</b>	<b>1,023,980</b>
	<b>Energy &amp; Food Security Planners **</b>	<b>214,286</b>	<b>214,286</b>	<b>214,286</b>	<b>214,286</b>	<b>857,144</b>
	New Plant Distribution Center (Appendix B #15)	198,675	200,675	200,675	190,675	790,700
	Coffee berry borer fumigation station	50,000	0	0	0	50,000
	Sanitation measures to reduce coffee berry borer (App B #16)	127,000	127,000	127,000	127,000	508,000

*\* See proposed H.B. 1 immediately following*



The Nature Conservancy of Hawai'i  
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Honolulu, Hawai'i 96817

Tel (808) 537-4508  
Fax (808) 545-2019

nature.org/hawaii

Testimony of The Nature Conservancy of Hawai'i  
Supporting with Amendments H.B. 1386 Relating to Fuel Taxes  
House Committee on Energy and Environmental Protection  
House Committee on Agriculture  
Tuesday, February 9, 2011, 8:30AM, Rm. 312

The Nature Conservancy **supports with the attached amendments** H.B. 1386. In addition to addressing Hawaii's energy and food security goals, we think the barrel tax revenue should help address the direct affects of climate change caused by burning fossil fuels.

Act 73 (2010) establishing the barrel tax and the subsequent report of the Economic Development Task Force both acknowledge that consumption of fossil fuels contributes to climate change and the deterioration of Hawaii's environment. Both state their purpose to "[h]elp Hawaii's natural resources and population adapt and be resilient to the inevitable challenges brought on by climate change caused by...burning fossil fuels." Act 73 further acknowledges that our lives and the economy are intertwined with the health and function of the natural world around us. Yet, surprisingly, neither Act 73 nor the Task Force report take any specific action or make any recommendation to address the direct effects of climate change.

**We recommend this bill be amended (see attached) to require a small portion (5-10%) of the barrel fee be used to actually help communities and our natural resources cope with the inevitable challenges of climate change caused by emissions from burning fossil fuels. A good start would be to fund and implement the Climate Change Task Force (Act 20; 2009) created by the Legislature.**

Climate change is an imminent and unprecedented threat to both natural systems (*e.g.*, forests, coastlines, coral reefs, wetlands) and to every person in Hawai'i that—whether they know it or not—depends on services from the natural environment for their livelihoods, health and welfare. Scientists have examined the evidence and rapid climate change is real; it is clearly caused by human activity; it is already a problem for habitat for plants and animals; and, if sources of CO<sub>2</sub> are not dramatically reduced, climate change could well have catastrophic results for people and their relationship with the natural environment.

Even if we drastically reduce CO<sub>2</sub> emissions now, we will still feel the effects of climate change. In Hawai'i, science indicates that this may include:

- More frequent and more severe storms;
- Overall, less rainfall and therefore less fresh water;
- Higher temperatures that may affect the health of forested watersheds;
- Climatic conditions even more conducive to invasive plants, insects and diseases;
- Sea level rise and high wave events that will harm coastal areas and cause seawater infiltration into groundwater systems; and
- Ocean acidification that will inhibit the growth of coral reefs.

In addition, to achieving energy security through vastly greater energy efficiency, technology and renewable energy development, we must plan and implement mitigative and adaptive measures to ensure the resilience of our natural and human systems.

**Proposed amendments attached.**

BOARD OF TRUSTEES

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HOUSE OF REPRESENTATIVES  
TWENTY-SIXTH LEGISLATURE, 2011  
STATE OF HAWAII

H.B. NO. 1386  
H.D. 1

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# A BILL FOR AN ACT

RELATING TO FUEL TAXES.

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

SECTION 1. The legislature finds that the portion of the environmental response, energy, and food security tax being allocated to support energy security and agricultural development and food security is not adequate to support vital and necessary programs.

The legislature further finds that the funds allocated into the energy security special fund will not be sufficient to fund the energy division staff of the department of business, economic development, and tourism in the fiscal year beginning on July 1, 2012. For the fiscal year ending on June 30, 2011, a majority of the staff funding is being supplied by the remaining balance in the petroleum violation trust fund and funds from the American Recovery and Reinvestment Act.

The legislature further finds that the funds being allocated into the agricultural development and food security special fund must be increased to address increased incidents involving the introduction of invasive species. The recent discovery of the coffee berry borer beetle on the island of Hawaii requires immediate and ongoing action to protect the State's coffee industry.

The legislature reiterates its finding in Act 73 (2010) that the mass consumption of fossil fuels, driven by our dependence on food and energy imports, contributes to climate change and the deterioration of the environment, including severe storm events, less rainfall, warmer temperatures that favor invasive species, a rise in sea levels, and ocean acidification that hampers coral growth. These climate changes will likely impose major, but not fully understood, costs and other impacts on Hawaii's people and the natural capital we depend upon to support our lives in the middle of the Pacific Ocean. Nowhere is it more obvious than in remote islands like

**SECTION 3.** Section 128D-2, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) Moneys from the fund shall be expended by the department for response actions and preparedness, including removal and remedial actions, consistent with this chapter; provided that the revenues generated by the environmental response, energy, and food security tax deposited into the environmental response revolving fund:

- (1) Shall be used:
  - (A) For oil spill planning, prevention, preparedness, education, research, training, removal, and remediation; and
  - (B) For direct support for county used oil recycling programs; and
- (2) May also be used to support environmental protection and natural resource protection programs, including energy conservation and alternative energy development, and to address concerns related to air quality, ~~global warming~~ climate change, clean water, polluted runoff, solid and hazardous waste, drinking water, and underground storage tanks, including support for the underground storage tank program of the department and funding for the acquisition by the State of a soil remediation site and facility.

**SECTION 4.** Chapter 195D, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**"§195D- Climate change resilience and adaptation special fund; establishment.** (a) There is established within the state treasury the climate change resilience and adaptation special fund.

(b) The following shall be deposited into the special fund:

- (1) The portion of the environmental response, energy and food security tax specified under section 243-3.5;
- (2) Any appropriation by the legislature into the special fund;
- (3) Any grant or donation made to the special fund; and
- (4) Any interest earned on the balance of the special fund.

(c) Subject to legislative appropriation, moneys in the special fund may be expended to promote the resilience and adaptation of indigenous plants, animals, aquatic life, and their associated ecosystems to ensure their ongoing health,

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 7. This Act shall take effect on July 1, 2011.

**coffman3 - Sean**

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**From:** Brian Bell [reachbrianbell@yahoo.com]  
**Sent:** Sunday, February 06, 2011 11:38 AM  
**To:** EEPtestimony  
**Cc:** Sen. Les Ihara, Jr.; Rep. Calvin Say  
**Subject:** Testimony is Support of HB 1386

Aloha Chair Morita and Members of the Committee:

I support HB 1386, which would raise the barrel tax and allocate the funds where they were supposed to go in the first place: to the energy security and agricultural development funds.

A tax like this is a very enlightened policy mechanism that has worked well in places around the world. It taxes what you want less of, oil use, and moves these dollars to what you want more of, energy and food independence and security.

Hawaii imports not only most of its energy, but also most its food. If we want to live sustainably and not send out tens of billions of dollars each year to pay for food and energy, we must pass this bill. Just think if those dollars stayed in the economy and turned over a few more times. The tax revenue from this additional economic activity would more than cover this program.

Mahalo for considering my testimony.

Brian Bell  
4626 Sierra Dr.  
Honolulu, HI 96816  
808-227-7087



coffman3 - Sean

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 07, 2011 8:34 PM  
**To:** EEPtestimony  
**Cc:** auntiepualani@gmail.com  
**Subject:** Testimony for HB1386 on 2/9/2011 8:30:00 AM

Testimony for EEP/AGR 2/9/2011 8:30:00 AM HB1386

Conference room: 312  
Testifier position: support  
Testifier will be present: No  
Submitted by: Pualani Ramos  
Organization: Na Pualani Learning Ohana  
Address: 1361 Nanawale Place Kailau, HI  
Phone: 808-262-3253  
E-mail: [auntiepualani@gmail.com](mailto:auntiepualani@gmail.com)  
Submitted on: 2/7/2011

Comments:

Dear Legislators,  
Let's use the barrel tax to help make Hawaii self sufficient by allocating the money for renewable energy and local farming.  
Mahalo,  
Pualani Ramos



February 9, 2011

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON  
ENERGY & ENVIRONMENTAL PROTECTION AND ON AGRICULTURE  
ON HB 1386 RELATING TO FUEL TAXES**

Thank you Chair Morita, Chair Tsuji and committee members. I am Gareth Sakakida, Managing Director of the Hawaii Transportation Association (HTA) with over 400 transportation related members throughout the state of Hawaii.

Hawaii Transportation Association opposes the increase of the barrel tax, especially in light of legislation to propose increases in the vehicle registration, weight tax, and liquid fuel tax.

In spite of economic forecasts showing some improvement for Hawaii in the coming years, those times are not yet here and the transportation industry still suffers from losing as much as half its activity over the past three years.

The creation of this fund last year added about \$200 per vehicle per year. This bill proposes another \$200 additional expense. The City & County of Honolulu also hit us last year and this year with increases of the vehicle weight tax boosting our per vehicle cost an average of \$400 in 2010 and another \$400 this year.

Add those hits to this year's proposals to increase the per vehicle cost by \$170 (registration and weight proposals), and each penny of fuel tax increase means an average of \$55 in additional cost.

Unlike governments, we do not have the power to mandate price increases so we have been cutting budgets and making do with less. The industry just cannot afford the kind of money everyone is seeking.

Thank you.

# TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: FUEL, Environmental response, energy and food security tax

BILL NUMBER: HB 1386

INTRODUCED BY: Coffman

BRIEF SUMMARY: Amends HRS section 243-3.5 to increase the environmental response, energy and food security tax from \$1.05 to \$2.05 and increase the amount deposited into the energy security special fund from 15 cents to 65 cents, and increase the amount deposited into the agricultural development and food security special fund from 15 cents to 65 cents.

EFFECTIVE DATE: July 1, 2011

STAFF COMMENTS: The legislature by Act 300, SLH 1993, enacted an environmental response tax of 5 cents per barrel on petroleum products sold by a distributor to any retail dealer or end user. Last year, the legislature by Act 73, SLH 2010, increased the amount of the tax to \$1.05 per barrel and provided that 5 cents of the tax shall be deposited into the environmental response revolving fund; 15 cents shall be deposited into the energy security special fund, 10 cents shall be deposited into the energy systems development special fund; 15 cents shall be deposited into the agricultural development and food security special fund; and the residual of 60 cents shall be deposited into the general fund between 7/1/10 and 6/30/15.

This measure increases the amount of the tax from \$1.05 to \$2.05 and proposes to increase the amount deposited into the energy security special fund from 15 cents to 65 cents and the agricultural development and food security special fund from 15 to 65 cents. This increase is unacceptable when one remembers that the increase to \$1.05 was predicated on devoting the entire amount to energy self-sufficiency and food security. Taxpayers should feel insulted that the tax is being increased even more this year because the barrel tax is being used to bail out the state general fund, letting lawmakers off the hook from making the cuts to state spending that are so critical if the ship of state is to be righted on its keel. Avoiding making those cuts in spending by raising hidden taxes, like the barrel tax, is less than honest as the tax is imposed on a transaction that is not seen by the average taxpayer. To merely up the tax to do what the original barrel tax proposal should have done is disingenuous and insincere.

It should be remembered that the environmental response tax was initially adopted for the purpose of setting up a reserve should an oil spill occur on the ocean waters that would affect Hawaii's shoreline. The nexus was between the oil importers and the possibility that a spill might occur as the oil product was being imported into the state. Now that the fund has become a cash cow, lawmakers have placed other responsibilities on the fund, including environmental protection and natural resource protection programs, such as energy conservation and alternative energy development, to address concerns related to air quality, global warming, clean water, polluted runoff, solid and hazardous waste, drinking water, and underground storage tanks, including support for the underground storage tank program of the department of health.

**coffman3 - Sean**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, February 08, 2011 12:45 PM  
**To:** EEPtestimony  
**Cc:** info@waa-hawaii.org  
**Subject:** Testimony for HB1386 on 2/9/2011 8:30:00 AM

Testimony for EEP/AGR 2/9/2011 8:30:00 AM HB1386

Conference room: 312  
Testifier position: support  
Testifier will be present: Yes  
Submitted by: Shannon Wood  
Organization: Windward Ahupua`a Alliance  
Address: PO Box 6366 Kane`ohe, HI 96744  
Phone: 808/247-6366  
E-mail: [info@waa-hawaii.org](mailto:info@waa-hawaii.org)  
Submitted on: 2/8/2011

**Comments:**

On behalf of the Windward Ahupua`a Alliance, a 501c3 organization which was one of the original sponsors of the "Barrel Tax" bill back in 2009, I support this bill with an amendment.

The purpose of HB 1386 is to raise the "Barrel Tax" by \$1 in order to replace the amount of money taken away last Session to put into the General Fund to help reduce the deficit. By increasing the tax, the food & fuel security, renewable energy, and environmental response programs will be funded with the balance going to the General Fund.

However, I propose that HB 1386 be amended to shift three to five cents per barrel to underwrite the work of the Climate Change Task Force which was never funded after former Governor Linda Lingle's veto was overridden in July, 2009. Legislation to re-establish the Climate Change Task Force is working its way through the Senate and will be heard on Thursday, February 10, at 4:15 pm.

Funding the Task Force from the sales of fossil fuels makes more sense than doing so from the General Fund.

Mahalo for the opportunity to testify on this bill.



Hawaii Farm Bureau  
FEDERATION

2343 Rose Street, Honolulu, HI 96819  
PH: (808)848-2074; Fax: (808) 848-1921

February 7, 2011

**TESTIMONY**

**Re: HB 1386 RELATING TO FUEL TAXES**

Chair Morita, Chair Tsuji and Members of the Committee

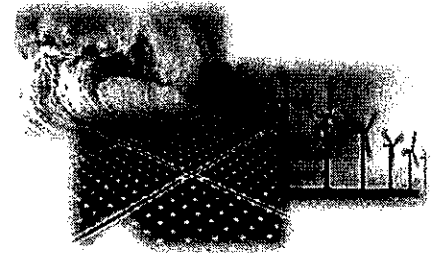
Hawaii Farm Bureau Federation on behalf of our commercial farm and ranch families and organizations across the State provides the following comment to HB1386, raising the environmental response, energy and food security tax and redistributes the revenues.

HFBF supported the initial passage of this measure despite a traditional “no new taxes” position in the past. We understood that this provided a vehicle for funding of critically needed CIP projects across the state, in particular, our aging and insufficient irrigation infrastructure. These monies were reallocated last year, but we saw it in another form of funding our agricultural CIP projects.

Concurrent to this measure we respectfully request efforts to restore critical inspector positions using the General Fund. Continued use of these special funds for inspectors will not achieve the intent of this measure. These monies are needed to address critical infrastructure CIP needs in agriculture.

We therefore ask that this measure be **passed with a defective date** so more information about the condition of the State’s budget is understood before further decisions are made.

Thank you for this opportunity to provide our opinion on this important matter. If there are questions, please contact Warren Watanabe, at 2819718.



HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION  
HOUSE COMMITTEE ON AGRICULTURE

February 9, 2011, 8:30 A.M.

Room 312

(Testimony is 4 pages long)

TESTIMONY IN STRONG SUPPORT OF HB 1386 & HB 1019, SUGGESTED AMENDMENTS

Chairs Morita and Tsuji and members of the Committees:

The Blue Planet Foundation strongly supports HB 1386 and HB 1019, measures to increase the percentages of the tax collected on petroleum imports for food and energy security programs and planning. We believe this amendment will help this policy achieve its original intent by directing all of the funds to clean energy and agriculture. Hawaii's barrel tax law is keystone clean energy policy that will foster Hawaii's clean energy transition as the critical planning, development, and implementation of clean energy require dedicated investment.

Blue Planet believes the best way to provide investment funds is by tapping the source of our problem—imported oil—to fund clean energy programs. According to three separate surveys commissioned by Blue Planet, over two-thirds of Hawai'i residents support paying an additional amount on their energy bills (with the mean equivalent to a \$5 per barrel tax) if the revenue was dedicated to Hawaii's clean energy future.

To truly accelerate Hawaii's transition to energy independence, **Blue Planet Foundation proposes that HB 1386 and HB 119 be amended by increasing the oil tax to \$5 per barrel** (yielding approximately \$120 million annually). The majority of these revenues should be directed to clean energy planning, development, integration, incentives, and other activities facilitating Hawaii's energy transformation.

Blue Planet would also **strongly support expanding the barrel tax to include other carbon fuel imports such as coal**. There is approximately 4.442 times as much carbon in a short ton

Jeff Mikulina, executive director • [jeff@blueplanetfoundation.org](mailto:jeff@blueplanetfoundation.org)

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mitigate the damage. The link is quite clear between the use of petroleum products and corresponding impacts on our fragile island environments—not only in oil spills, which was the original impetus for the environmental response tax, but also in runoff from the roads our cars drive on, in degraded air quality, and in greenhouse gas emissions and climate change.

Unlike many other taxes, the barrel tax is largely avoidable by most residents. Energy efficiency, conservation, and switching to clean sources of power all reduce the burden of the tax. In fact, most residents could reduce the amount of barrel tax they pay by installing some compact fluorescent light bulbs at home and ensuring that car tires are properly inflated. Ensuring that a good portion of the oil tax revenues are spent on energy efficiency measures will help reduce the potential regressive nature of the policy.

A “clean energy” surcharge on a barrel of oil of \$5 is approximately the same as a carbon tax of \$10.45 per ton of carbon dioxide (CO<sub>2</sub>)<sup>5</sup>. It would have a marginal impact on petroleum users, yet significantly increase the state’s ability to deliver energy efficiency investments and clean energy project funding. A \$10.45 “carbon fee” is average. Many European countries have carbon taxes that exceed \$10.00 per ton. In 2008, the Canadian province of British Columbia enacted a carbon fee that started at approximately \$8.00 per ton (English) in July, 2008, and increases to \$24 per ton by 2012. That tax has raised nearly \$1 billion dollars<sup>6</sup>.

### *Public Support*

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Blue Planet Foundation conducted market research in December 2009, March 2010, and December 2010 to discern the level of public support for a barrel tax for clean energy investment. The statewide survey of residents found broad support for a barrel tax with roughly 70% supporting a tax of some amount. Each survey had a random sample of 500 residents statewide, providing a margin of error of 4.4% at a 95% confidence level.

The average level of support was equivalent to a \$5 per barrel tax. Forty-five percent of residents supported paying an additional \$15 on their monthly energy bills, equivalent to a \$9 per barrel tax. These findings should provide comfort to decision makers wrestling with how to develop funding for Hawaii’s clean energy future—Hawaii’s residents are willing to pay to wean Hawaii from its oil dependence. *Please see chart on the following page.*

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<sup>5</sup> At 23 lbs CO<sub>2</sub> produced per gallon oil and 42 gallons per barrel.

<sup>6</sup> <http://www.fin.gov.bc.ca/tbs/tp/climate/A6.htm>



# Sierra Club Hawai'i Chapter

PO Box 2577, Honolulu, HI 96803  
808.538.6616 hawaii.chapter@sierraclub.org

## HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION HOUSE COMMITTEE ON AGRICULTURE

February 9, 2011, 8:30 A.M.  
(Testimony is 1 page long)

### TESTIMONY IN STRONG SUPPORT OF HB 1386

Aloha Chair Morita, Chair Tsuji, and Members of the Committees:

The Hawai'i Chapter of the Sierra Club *strongly supports* HB 1386, which re-establishes financing to ensure Hawai'i's energy and food security security. The bill is a smart and needed improvement to last year's historic policy.

We suggest, however, consider funding:

1. **Public Benefit Funds.** Contributions to the existing energy efficiency Public Benefit Funds Administrator (regulated by the Public Utilities Commission), which would directly increase and add efficiency incentives (such as appliance buy-back programs, free home energy audits, solar water heater and compact fluorescent/LED rebates, and other efficiency programs). In addition, contributions could be made into direct incentive programs that are designed to maximize small, local renewable energy sources.
2. **Agricultural land use planning.** It's apparent we need a long term plan that lays out Hawaii's food security future. Where are we going to grow our own food? A small amount of funding to plan our future could go a long way to adopting real and necessary policy changes
3. **Climate change/adaptation planning.** Two years ago, this Legislature passed a Climate Change task force. We suggest allocating a small portion to ensure this task force may proceed.

Mahalo for the opportunity to testify.