



## DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of  
**Richard C. Lim**  
Director

Department of Business, Economic Development, and Tourism  
before the

### **Senate Committee on Ways and Means**

Thursday, March 29, 2012

9 AM

State Capitol, Conference Room 211  
in consideration of

### **HB 1726, HD1, SD1** **Relating to Energy**

Chair Ige, Vice Chair Kidani and members of the committee.

The Department of Business, Economic Development, and Tourism (DBEDT) supports extending the repeal date of the energy systems development special fund to 2015 to match that of the environmental response, energy, and food security tax for the purposes of HB 1726, HD1, SD1.

The extension of this source of funding is viewed as a critical tool and important resource, which contributes to our economy by leveraging the resources of this fund with those of the energy security special fund and others to enable cooperative efforts that contribute to Hawaii's Clean Energy Initiative and positioning Hawaii as a leading energy test-bed in the Pacific.

The "Oahu Wind Integration Study," Japan-Hawaii smart-grid demonstration, and Korean smart grid discussions are examples of investment in collaborative energy initiatives of interest utilizing Hawaii as a test-bed.

Thank you for the opportunity to offer these comments.

TESTIMONY OF HERMINA MORITA  
CHAIR, PUBLIC UTILITIES COMMISSION  
DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE  
SENATE COMMITTEE ON WAYS & MEANS

MARCH 29, 2012

**MEASURE:** H.B. No. 1726, H.D. 1, S.D. 1

**TITLE:** Relating to Energy

Chair Ige and Members of the Committee:

**DESCRIPTION:**

This measure proposes to extend the repeal date for the energy systems development special fund (“Special Fund”) and to align it with the repeal date of the environmental response, energy, and food security tax in 2015.

**POSITION:**

The Commission supports this measure and would like to offer the following comments for the Committee’s consideration.

**COMMENTS:**

The Hawaii Natural Energy Institute (“HNEI”) is responsible for the critical task of administering the Special Fund in order to promote renewable energy research and technology validation in the State. The private-public partnerships developed by HNEI, especially in the area of research covering the validation and integration of clean energy technologies into Hawaii’s existing electricity system, provides invaluable support to the Commission in its regulatory proceedings and other related work. It is essential that HNEI be maintained and properly funded so it can continue to support the State in its efforts to achieve maximum penetration of variable generation, while still maintaining the strength and resiliency of Hawaii’s electric system.

Thank you for the opportunity to offer comments on this measure.