



SENATE COMMITTEE ON WAYS AND MEANS

March 29, 2012, 9:00 A.M.

Room 211

(Testimony is 1 page long)

TESTIMONY IN SUPPORT OF HB 1726 HD1 SD1

Chair Ige and members of the Ways and Means Committee:

The Blue Planet Foundation supports HB 1726 HD1 SD1, a measure aligning the repeal date for the energy systems development special fund with that of the environmental response, energy, and food security tax. Barrel tax funding in the energy systems development fund provides resources to the Hawaii Natural Energy Institute (HNEI) to advance our research and deployment of clean energy technology. Recent projects include the O'ahu Wind Integration Study and the Japan-Hawaii smart-grid demonstration on Maui. We support extending the sunset date for barrel tax funding for HNEI.

We ask that the legislature also consider additional amendments to Hawaii's carbon tax policy to accelerate Hawaii's transition to energy independence, including:

- Removing the sunset date of the environmental response, energy, and food security tax;
- Increasing the environmental response, energy, and food security tax from \$1.05 per barrel to \$2.00 per barrel;
- Establishing a tax on each ton of coal imported into Hawaii that is approximately equivalent to the barrel tax in terms of carbon emissions;
- Increasing the allocations of the environmental response, energy, and food security tax to the energy security special fund, the energy systems development special fund, and the agricultural development and food security special fund;
- Transitioning the Hawaii Economic Development Task Force to the Hawaii Food and Energy Security Council, which will remain in existence through June 30, 2014; and
- Increasing the spending caps for the State Energy Office and the Department of Agriculture to make use of the barrel tax funds.

We would be happy to provide the Committee with appropriate amendments.

Thank you for the opportunity to testify.