SB 2197



State of Hawaii DEPARTMENT OF AGRICULTURE 1428 South King Street Honolulu, Hawaii 96814-2512 Phone: (808) 973-9600 FAX: (808) 973-9613

TESTIMONY OF RUSSELL KOKUBUN CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEES ON ENERGY AND ENVIRONMENT, AND AGRICULTURE

Tuesday, February 14, 2011

Room 225
2:45 P.M.

SENATE BILL NO. 2197 RELATING TO LAND USE

Chairpersons Gabbard and Nishihara and Members of the Committees:

Thank you for this opportunity to provide testimony on Senate Bill No. 2197. This measure makes consistent the existing Section 201N-14(d)(3)(A) with Section 205-2(d)(6) and Section 205-4.5(a)(19) that permits solar energy facilities on "B" and "C" lands provided that the facilities not occupy more than ten percent of the acreage of the parcel, or twenty acres of land, whichever is less.

The Department of Agriculture supports efforts to diversify sources of renewable energy, provided that there is a benefit or relationship to agricultural uses or activities. The Department of Agriculture respectfully offers a proposed Senate Draft 1 that we believe advances the State's food and energy security initiatives.

The SD 1 amends the bill to limit the proposed subdivision to one leased parcel or one easement per legal lot. This will avoid multiple lot subdivisions and retain greater agricultural potential. The SD1 would permit a solar energy facility as long as its activity remains an accessory to the primary agricultural activity.



Thank you, again, for this opportunity to present our testimony.

A BILL FOR AN ACT

RELATING TO LAND USE.

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

Section 201N-14, Hawaii Revised Statutes, is SECTION 1. 1 amended by amending subsection (a)(2) to read as follows: 2 3 "\$201N-14 Exemption from subdivision requirements. [Section repealed on July 1, 2020. L 2011, c 201, §4.] (a) 4 Notwithstanding any other law or ordinance to the contrary: 5 Lands within the agricultural or conservation state 6 7 land use district may be leased; and Easements may be created and granted over lands within (2) 8 the agricultural or conservation state land use 9 10 district, for the purpose of developing and financing a renewable energy 11 project or accessing a renewable energy project that is a 12 permitted use in the district, even if the leased land or 13 easement area has not been subdivided as a separate subdivided 14 lot or easement [-], and that no more than one easement per legal 15 lot for the purposes provided for in this section shall be 16 permitted within the agricultural state land use district. 17 Leases and easements authorized by this section shall be valid 18

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leases and easements for all purposes, but the exemption from
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    subdivision requirements authorized by this section shall be
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    subject to the requirements and limitations set forth in
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    subsection (d)."
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         SECTION [1]2. Section 201N-14, Hawaii Revised Statutes, is
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    amended by amending subsection (d) to read as follows:
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         "(d) The exemption from subdivision requirements
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    authorized by this section shall only apply to leases and
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    easements that meet the following requirements and shall be
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    subject to the following limitations:
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              The lease or easement shall restrict the use of the
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              leased land or easement area to the development and
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              operation of a renewable energy project; provided
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              that, to comply with section 205-4.6, agricultural
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15
              uses and activities shall not be restricted on
              agricultural land;
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              The lease shall have an initial term of at least
         (2)
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              twenty years;
18
              With respect to leases and easements on lands within
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         (3)
              an agricultural state land use district, the exemption
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              from subdivision requirements provided by this section
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shall be for:

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1		(A) Solar energy facilities permitted under section
2		205-2(d)(6) and section 205-4.5(a)(19), on land
3		with soil classified by the land study bureau's
4		detailed land classification as overall (master)
5		productivity rating class B , C , D , or E ;
6		(B) Wind energy facilities permitted under section
7		205-2(d)(4) and (8), including the appurtenances
8		associated with the production and transmission
9		of wind-generated energy; and
10		(C) Any renewable energy facilities approved by the
11		land use commission or county planning commission
12		under chapter 205;
13	(4)	With respect to leases and easements on lands within a
14		conservation state land use district, the exemption
15		from subdivision requirements provided by this section
16		shall be for:
17		(A) Wind energy facilities, including the
18		appurtenances associated with the production and
19		transmission of wind-generated energy; and
20		(B) Any renewable energy facilities permitted or
21		approved by the board of land and natural
22		resources under chapter 183C; and

(5) The county agency charged with administering 1 subdivisions in the county in which the renewable 2 energy project is to be situated or, if the land is in 3 a conservation state land use district, the department 4 of land and natural resources, shall approve the 5 exemption from subdivision requirements within ninety 6 days after the project's developer and the owner of 7 the land on which the renewable energy project is to 8 9 be situated have submitted the conceptual schematics or preliminary plans and specifications for the 10 renewable energy project to the county agency or the 11 department of land and natural resources, and have 12 provided to such county agency or the department of 13 land and natural resources, as applicable, a 14 certification and agreement that all applicable and 15 appropriate environmental reviews and permitting shall 16 be completed prior to commencement of development of 17 the renewable energy project. If, on the ninety-first 18 day, an exemption has not been approved, it shall be 19 deemed disapproved by the county agency or the 20 department of land and natural resources, whichever is 21 applicable." 22

1	SECT	ION 3. Section 205-2, Hawaii Revised Statutes, is
2	amended b	y amending subsection (d) to read as follows:
3	"(d)	Agricultural districts shall include:
4	(1)	Activities or uses as characterized by the cultivation
5		of crops, crops for bioenergy, orchards, forage, and
6		forestry;
7	(2)	Farming activities or uses related to animal husbandry
8		and game and fish propagation;
9	(3)	Aquaculture, which means the production of aquatic
10		plant and animal life within ponds and other bodies of
11		water;
12	(4)	Wind generated energy production for public, private,
13		and commercial use;
14	(5)	Biofuel production, as described in section
15		205-4.5(a)(15), for public, private, and commercial
16		use;
17	(6)	Solar energy facilities; provided that:
18		(A) This paragraph shall apply only to land with soil
19		classified by the land study bureau's detailed
20		land classification as overall (master)
21		productivity rating class B, C, D or E; and

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(B)	Solar energy facilities placed within land with
	soil classified as overall productivity rating
	class B or C shall not occupy more than ten per
	cent of the acreage of the parcel, or twenty
	acres of land, whichever is lesser; and
<u>(C)</u>	Solar energy facilities shall be permitted only
	as an accessory use to an agricultural use or
	activity as defined in subsections 205-
	4.5(a)(1),(2) and (3) and occurring on the same
	parcel;

(7) Bona fide agricultural services and uses that support the agricultural activities of the fee or leasehold owner of the property and accessory to any of the above activities, regardless of whether conducted on the same premises as the agricultural activities to which they are accessory, including farm dwellings as defined in section 205-4.5(a)(4), employee housing, farm buildings, mills, storage facilities, processing facilities, agricultural-energy facilities as defined in section 205-4.5(a)(16), vehicle and equipment storage areas, roadside stands for the sale of products grown on the premises, and plantation

1		community subdivisions as defined in section
2		205-4.5(a)(12);
3	(8)	Wind machines and wind farms;
4	(9)	Small-scale meteorological, air quality, noise, and
5		other scientific and environmental data collection and
6		monitoring facilities occupying less than one-half
7		acre of land; provided that these facilities shall not
8		be used as or equipped for use as living quarters or
9		dwellings;
10	(10)	Agricultural parks;
11	(11)	Agricultural tourism conducted on a working farm, or a
12		farming operation as defined in section 165-2, for the
13		enjoyment, education, or involvement of visitors;
14		provided that the agricultural tourism activity is
15	·	accessory and secondary to the principal agricultural
16		use and does not interfere with surrounding farm
17		operations; and provided further that this paragraph
18		shall apply only to a county that has adopted
19		ordinances regulating agricultural tourism under
20		section 205-5; and
21	(12)	Open area recreational facilities.

S.B. NO. 2197_{SD1 (Proposed)}

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Agricultural districts shall not include golf courses and golf
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    driving ranges, except as provided in section 205-4.5(d).
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    Agricultural districts include areas that are not used for, or
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    that are not suited to, agricultural and ancillary activities by
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    reason of topography, soils, and other related characteristics."
         SECTION 4. Section 205-4.5, Hawaii Revised Statutes, is
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    amended by amending subsection (a) to read as follows:
7
         "(a) Within the agricultural district, all lands with soil
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    classified by the land study bureau's detailed land
    classification as overall (master) productivity rating class A
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11
    or B shall be restricted to the following permitted uses:
              Cultivation of crops, including crops for bioenergy,
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              flowers, vegetables, foliage, fruits, forage, and
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              timber;
14
         (2)
              Game and fish propagation;
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              Raising of livestock, including poultry, bees, fish,
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         (3)
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              or other animal or aquatic life that are propagated
              for economic or personal use;
18
              Farm dwellings, employee housing, farm buildings, or
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         (4)
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              activities or uses related to farming and animal
              husbandry. "Farm dwelling", as used in this
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paragraph, means a single-family dwelling located on

1		and used in connection with a farm, including clusters
2		of single-family farm dwellings permitted within
3		agricultural parks developed by the State, or where
4		agricultural activity provides income to the family
5		occupying the dwelling;
6	(5)	Public institutions and buildings that are necessary
7		for agricultural practices;
8	(6)	Public and private open area types of recreational
9		uses, including day camps, picnic grounds, parks, and
10		riding stables, but not including dragstrips,
11		airports, drive-in theaters, golf courses, golf
12		driving ranges, country clubs, and overnight camps;
13	(7)	Public, private, and quasi-public utility lines and
14		roadways, transformer stations, communications
15		equipment buildings, solid waste transfer stations,
16		major water storage tanks, and appurtenant small
17		buildings such as booster pumping stations, but not
18		including offices or yards for equipment, material,
19		vehicle storage, repair or maintenance, treatment
20		plants, corporation yards, or other similar
21		structures;

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1	(8)	Retention, restoration, rehabilitation, or improvement
2		of buildings or sites of historic or scenic interest;
3	(9)	Roadside stands for the sale of agricultural products
4		grown on the premises;
5	(10)	Buildings and uses, including mills, storage, and
6		processing facilities, maintenance facilities, and
7		vehicle and equipment storage areas that are normally
8		considered directly accessory to the above-mentioned
9		uses and are permitted under section 205-2(d);
10	(11)	Agricultural parks;
11	(12)	Plantation community subdivisions, which as used in
12		this chapter means an established subdivision or
13		cluster of employee housing, community buildings, and
14	·	agricultural support buildings on land currently or
15		formerly owned, leased, or operated by a sugar or
16		pineapple plantation; provided that the existing
17		structures may be used or rehabilitated for use, and
18		new employee housing and agricultural support
19		buildings may be allowed on land within the

subdivision as follows:

1		(A) The employee housing is occupied by employees or
2		former employees of the plantation who have a
3		property interest in the land;
4		(B) The employee housing units not owned by their
5		occupants shall be rented or leased at affordable
6		rates for agricultural workers; or
7		(C) The agricultural support buildings shall be rented
8		or leased to agricultural business operators or
9		agricultural support services;
10	(13)	Agricultural tourism conducted on a working farm, or a
11		farming operation as defined in section 165-2, for the
12		enjoyment, education, or involvement of visitors;
13		provided that the agricultural tourism activity is
14		accessory and secondary to the principal agricultural
15		use and does not interfere with surrounding farm
16		operations; and provided further that this paragraph
17		shall apply only to a county that has adopted
18		ordinances regulating agricultural tourism under
19		section 205-5;
20	(14)	Wind energy facilities, including the appurtenances
21		associated with the production and transmission of
22		wind generated energy: provided that the wind energy

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1		facilities and appurtenances are compatible with
2		agriculture uses and cause minimal adverse impact on
3		agricultural land;
4	(15)	Biofuel processing facilities, including the
5		appurtenances associated with the production and
6		refining of biofuels that is normally considered
7		directly accessory and secondary to the growing of the
8		energy feedstock; provided that biofuels processing
9		facilities and appurtenances do not adversely impact
10		agricultural land and other agricultural uses in the
11		vicinity.
12		For the purposes of this paragraph:
13		"Appurtenances" means operational infrastructure
14		of the appropriate type and scale for economic
15		commercial storage and distribution, and other similar
16		handling of feedstock, fuels, and other products of
17		biofuels processing facilities.
18		"Biofuel processing facility" means a facility
19		that produces liquid or gaseous fuels from organic
20		sources such as biomass crops, agricultural residues,
21		and oil crops, including palm, canola, soybean, and

waste cooking oils; grease; food wastes; and animal

1		residues and wastes that can be used to generate
2	-	energy;
3	(16)	Agricultural-energy facilities, including
4		appurtenances necessary for an agricultural-energy
5		enterprise; provided that the primary activity of the
6		agricultural-energy enterprise is agricultural
7		activity. To be considered the primary activity of an
8		agricultural-energy enterprise, the total acreage
9		devoted to agricultural activity shall be not less
10		than ninety per cent of the total acreage of the
11		agricultural-energy enterprise. The agricultural-
12		energy facility shall be limited to lands owned,
13		leased, licensed, or operated by the entity conducting
14		the agricultural activity.
15	-	As used in this paragraph:
16		"Agricultural activity" means any activity
17		described in paragraphs (1) to (3) of this subsection.
18		"Agricultural-energy enterprise" means an
19	-	enterprise that integrally incorporates an
20		agricultural activity with an agricultural-energy
21		facility.

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"Agricultural-energy facility" means a facility that generates, stores, or distributes renewable energy as defined in section 269-91 or renewable fuel including electrical or thermal energy or liquid or gaseous fuels from products of agricultural activities from agricultural lands located in the State.

"Appurtenances" means operational infrastructure of the appropriate type and scale for the economic commercial generation, storage, distribution, and other similar handling of energy, including equipment, feedstock, fuels, and other products of agricultural-energy facilities;

(17) Construction and operation of wireless communication antennas; provided that, for the purposes of this paragraph, "wireless communication antenna" means communications equipment that is either freestanding or placed upon or attached to an already existing structure and that transmits and receives electromagnetic radio signals used in the provision of all types of wireless communications services; provided further that nothing in this paragraph shall be construed to permit the construction of any new

1		structure that is not deemed a permitted use under
2		this subsection;
3	(18)	Agricultural education programs conducted on a farming
4		operation as defined in section 165-2, for the
5		education and participation of the general public;
6		provided that the agricultural education programs are
7		accessory and secondary to the principal agricultural
8		use of the parcels or lots on which the agricultural
9		education programs are to occur and do not interfere
10		with surrounding farm operations. For the purposes of
11		this section, "agricultural education programs" means
12		activities or events designed to promote knowledge and
13		understanding of agricultural activities and practices
14		conducted on a farming operation as defined in section
15		165-2; or
16	(19)	Solar energy facilities that do not occupy more than
17		ten per cent of the acreage of the parcel, or twenty
18		acres of land, whichever is lesser, and solar energy
19		facilities shall be permitted only as an accessory to
20		agricultural uses or activities as defined in
21		subsection (a)(1), (2) and (3) and occurring on the
22		same parcel; provided that this use shall not be

1	permitted on lands with soil classified by the land
2	study bureau's detailed land classification as overall
3	(master) productivity rating class A."
4	SECTION $[2]5$. New statutory material is underscored.
5	SECTION $[3]$ 6. This Act shall take effect upon its
6	approval.
7	INTRODUCED BY:
8	

SB2197 PROPOSED SD1

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Statement of RICHARD C. LIM Director

Department of Business, Economic Development, and Tourism before the

> SENATE COMMITTEES ON **ENERGY AND ENVIRONMENT** AND AGRICULTURE

> Tuesday, February 14, 2012 2:45 PM State Capitol, Conference Room 225

in consideration of SB 2197 RELATING TO LAND USE.

Chairs Gabbard and Nishihara; Vice Chairs English and Kahele; and Members of the Committees.

The Department of Business, Economic Development and Tourism (DBEDT) supports with comments SB 2197, which amends the subdivision exemption process under Chapter 201N-14, Hawai'i Revised Statutes (HRS) to make lands with B or C Land Study Bureau (LSB) rating eligible for the exemption from subdivision requirements.

HRS 205-2(d)(6) and Act 217, Session Laws of Hawaii (2011), allow solar energy facilities on B or C rated agricultural lands only if the solar energy facility does not occupy more than 10% of the parcel acreage or 20 acres of land, whichever is lesser. Currently, HRS 201N-14(d)(3) specifies the subdivision exemption is allowed only for solar energy facilities on D or E

lands. Therefore, developers of solar energy facilities allowed on B or C lands cannot utilize the HRS 201N-14 subdivision exemption process.

As a result of Act 217, numerous solar energy developers are planning the use of limited B and C lands for solar energy development. These facilities, however, typically do not need the entire parcel. HRS 201N-14 allows for the delineation of separate lots (easement, lease, or other possessory interest) for financing purposes without requiring applicants to go through the formal subdivision process. The two separate lots become recordable and can be financed independent of one another, allowing a renewable energy project on one lot and the remainder lot open for other uses. Per HRS 201N-14, when the renewable energy project is no loner operational, the exemption no longer applies and the lots would revert back to the one original parcel.

Given food and energy independence/security are Administration priorities, DBEDT has coordinated with the Department of Agriculture and the State Office of Planning to address concerns that the further subdivision of higher quality B and C rated agricultural lands could lead to higher density and increased land values in the Agricultural District. The temporary nature of the HRS 201N-14 exemption process, as opposed to permanent subdivision, does not create a non-conforming lot that could lead to higher density in the Agricultural District.

To make HRS 201N-14 consistent with HRS 205(d)(6) allowances, DBEDT suggests the following amendment to SB 2197, page 2, lines 1 through 5:

"(A) Solar energy facilities permitted under section 205-2(d)(6). on land with soil classified by the land study bureau's detailed land classification as overall (master) productivity rating class B, C, D, or E;"

Thank you for the opportunity to offer these comments in support of SB 2197.



Hawaii Solar Energy Association

Serving Hawaii Since 1977

February 14, 2012 2:45 PM

SENATE COMMITTEE ON ENEGY & ENVIRONMENT AND COMMITTEE ON AGRICULTURE SB 2197

Mark Duda President

TESTIMONY IN STRONG SUPPORT

Aloha Chair Gabbard, Chair Nishihara, Vice Chairs and Members of the Committee:

SB 2197 addresses a technical incompatibility between HRS 205(d)(6) and HRS 201N-14. HRS 205(d)(6) defines solar energy facilities as an approved use on agricultural lands rated B, C, D, and E. If the productivity rating is B or C, however, only a small portion of the land may be used for solar energy facilities. (The allowable portion is 10 percent of the total parcel or 20 acres, whichever is smaller). The real world problem faced by solar developers that the B and C provisions in HRS 205(d)(6) solve is that on a parcel that blends multiple classifications, it may make sense to use a portion of the higher rated land, for example to locate inverter pads near the utility point of interconnection or to complete a rectilinear module layout.

Meanwhile, in order to develop a solar energy project it is often necessary to designate and record an interest in a portion of that parcel. This is the case because land for ground mounted solar projects is typically leased. Because the systems are not permanent improvements, developers often avoid formally subdividing the property so that the leased portion can be reincorporated into the larger parcel once the useful life of the system has ended. In order to do this, some developers use the exemption outlined in 201N-14(d)(3)(a). The problem is that this exemption is currently allowed only for lands rated D and E. As a result, the process would be made more straightforward if the subdivision exemption were open to all projects that complied with the concept of approved agricultural use for solar energy use articulated in HRS 205(d)(6).

To this end we support this measure and note that the language proposed by DBEDT (and included below) may offer a simpler and more parsimonious way to accomplish the intent of SB 2197. We note, however, that the DBEDT language and the current language would have an identical impact on PV development at this time.

Thank you for the opportunity to testify on this measure.

Mark Duda President, Hawaii Solar Energy Association

About Hawaii Solar Energy Association

Hawaii Solar Energy Association (HSEA) is comprised of installers, distributors, manufacturers and financers of solar energy systems, both hot water and PV, most of which are Hawaii based, owned and operated. Our primary goals are: (1) to further solar energy and related arts, sciences and technologies with concern for the ecologic, social and economic fabric of the area; (2) to encourage the widespread utilization of solar equipment as a means of lowering the cost of energy to the American public, to help stabilize our economy, to develop independence from fossil fuel and thereby reduce carbon emissions that contribute to climate change; (3) to establish, foster and advance the usefulness of the members, and their various products and services related to the economic applications of the conversion of solar energy for various useful purposes; and (4) to cooperate in, and contribute toward, the enhancement of widespread understanding of the various applications of solar energy conversion in order to increase their usefulness to society.

DBEDT Proposed Language

To make HRS 201N-14 consistent with HRS 205(d)(6) allowances, DBEDT suggests the following amendment to SB 2197, page 2, lines 1 through 5:

"(A) Solar energy facilities permitted under section 205-2(d)(6). on land with soil classified by the land study bureau's detailed land classification as overall (master) productivity rating class B, C, D, or E;"

Testimony for ENE/AGL 2/14/2012 2:45:00 PM SB2197

Conference room: 225

Testifier position: Comments Only Testifier will be present: No Submitted by: Penny Levin Organization: Individual

E-mail: pennysfh@hawaii.rr.com

Submitted on: 2/6/2012

Comments:

Aloha Chair and honorable committee members;

I am testifying as an individual today.

My first comment is in regards to agricultural lands designations and their meaining. This bill is a sweeping waiver of the permitting process that will apply to a broad range of lands, topography and soil types. In 2010, the Taro Security and Purity Task Force noted that the current agriculture designations were made in relation to lands suitable for sugar and pineapple (A). Fine agricultural lands can be found in the B-D category where sometimes the designation relates to a lack of water resources or road infrastructure but is not a reflection of soil quality. These lands can still be highly productive. I would hesitate to make waive the permitting process on all of these lands.

My second comment is in regards to state land leases as a whole. The state has yet to implement or enforce a mitigation requirement for all lessees that would require them to 1) remove the remnants of their projects; and 2) mitigate the damage of their projects - from erosion and quarrying to leaving materials and structures to rust at state and county expense for cleanup. I would urge a clause be inserted into this bill that requires any lessee of state land, no matter the project, to leave the land as, or better, than when they came to it; as well as, a requirement for the removal of any and all equipment, materials, trash, structures etc within 1 year of vacating, where the quality and life of the structure(s) are not worth rehabiliting or at the end of their life or the state does not propose to take possession and use thereof in a timely manner. If the state takes possession and then lets a structure fall into disuse, as has happened many times, the state should be liable for the cleanup.

The footprint state land lessees have been allowed to leave in the past walks upon all of our futures.

Mahalo for this opportunity to testify.

Penny Levin Wailuku, Maui Testimony for ENE/AGL 2/14/2012 2:45:00 PM SB2197

Conference room: 225

Testifier position: Support
Testifier will be present: No
Submitted by: Raymond E Hoe
Organization: Individual
E-mail: hanahoe@yahoo.com
Submitted on: 2/13/2012

Comments:

I support the proposed bill, and find that harvesting solar rays and turning it into electricity is much more efficent and environmentally cleaner than growing biofuels to generate the same power.