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TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

THE TWENTY-SIXTH LEGISLATURE  
REGULAR SESSION OF 2012

THURSDAY, MARCH 29, 2012  
2:35 P.M.

TESTIMONY OF JEFFREY T. ONO, EXECUTIVE DIRECTOR, DIVISION OF  
CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER  
AFFAIRS, TO THE HONORABLE ROBERT N. HERKES, CHAIR,  
AND MEMBERS OF THE COMMITTEE

SENATE BILL NO. 2438, S. D. 1, H. D. 1 PROPOSED - RELATING TO  
THE PUBLIC UTILITIES COMMISSION

DESCRIPTION:

This measure proposes to require the Department of Business, Economic Development, and Tourism to provide technological readiness analysis information, upon request by the Public Utilities Commission, which the commission may consider when making final determinations on renewable energy.

POSITION:

The Division of Consumer Advocacy ("Consumer Advocate") supports S. B. No. 2438, S. D. 1, H. D. 1.

Senate Bill No. 2438, S. D. 1, H. D. 1  
House Committee on Consumer Protection and Commerce  
Thursday, March 29, 2012, 2:35 p.m.  
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COMMENTS:

The concerns expressed by the Consumer Advocate to S. B. No. 2438, S. D. 1, H. D. 1 Proposed have been addressed in this version of the bill. Therefore, the Consumer Advocate supports S. B. No. 2438, S. D. 1, H. D. 1.

Thank you for this opportunity to testify.

TESTIMONY OF HERMINA MORITA  
CHAIR, PUBLIC UTILITIES COMMISSION  
DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE  
HOUSE COMMITTEE ON  
CONSUMER PROTECTION & COMMERCE

MARCH 29, 2012

**MEASURE:** S.B. No. 2438, S.D. 1, H.D. 1

**TITLE:** Relating to the Public Utilities Commission

Chair Herkes and Members of the Committee:

**DESCRIPTION:**

This bill requires the director of the Hawaii Natural Energy Institute ("HNEI") to provide technology readiness analyses of renewable energy projects to the Commission upon request. The measure uses the United States Department of Energy's working list of nine technology readiness levels ("TRL") for renewable energy projects based on varying degrees of operational and commercial viability. The Commission shall not approve a proposal or contract with a TRL of 6 or below, and must also set out in its final determinations findings of the positive external factors a proposal or contract may have. Finally, this measure exempts short-term proposals, contracts, and demonstration projects meant for experimental and data collection purposes.

**POSITION:**

The Commission supports this measure and would like to offer the following comments.

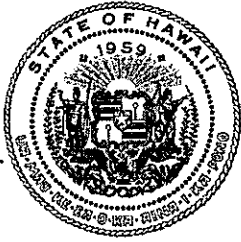
**COMMENTS:**

The Commission appreciates the Legislature's effort to offer clear guidance to assess the technological viability of renewable energy projects the Commission must review for approval.

The Commission also recommends that the following clarifying amendments be appropriately included:

- Page 4, line 5, to read "...proposal or contract for a renewable energy project with a technology readiness level of 6 or..."
- Page 4, line 8, to read "...proposal or contract for a renewable energy project with a technology readiness level above..."
- Page 4, line 9, to read "...provided that positive external factors, if any, including but..."

Thank you for the opportunity to testify on this measure.



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**

NEIL ABERCROMBIE  
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RICHARD C. LIM  
DIRECTOR

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Statement of  
**RICHARD C. LIM**  
Director  
Department of Business, Economic Development, and Tourism  
before the  
**HOUSE COMMITTEE ON  
CONSUMER PROTECTION & COMMERCE**  
Thursday, March 29, 2012  
2:35 PM  
State Capitol, Conference Room 325  
in consideration of  
  
**SB2438, SD1, HD1**  
**RELATING TO THE PUBLIC UTILITIES COMMISSION.**

Chair Herkes, Vice Chair Yamane, and Members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) **supports the intent of SB2438, SD1, HD1**, which allows the Public Utilities Commission (PUC) to request the Hawaii Natural Energy Institute to conduct technology readiness level analysis of proposed renewable energy projects.

Thank you for the opportunity to offer these comments.

SB2438, SD1, HD1\_BED\_03-29-12\_CPC



**PACIFIC  
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March 26, 2012

Representative, Robert N. Herkes, Chair  
Senator Ryan I. Yamane, Vice Chair  
COMMITTEE ON CONSUMER PROTECTION & COMMERCE

HEARING: Thursday, March 29, 2012, 2:35 pm, Conference room 325

**Re: In support of Senate Bill 2438 SD1, HD1 relating to the Biofuels**  
Testimony of Pacific Biodiesel, Inc., a Hawai'i-based renewable fuel company since 1996

Dear Chair Herkes, Vice-Chair Yamane and members of the Committee,

Pacific Biodiesel Technologies supports the passage of SB 2438 SB1, HD1 as proposed. We believe SB 2438 is a vehicle for encouraging the expansion of proven technologies in an industry fraught with promises and proposals, many of which have not been proven and have extended well beyond the promised date of delivery.

Pacific Biodiesel owns and operates two biodiesel plants in Hawai'i, with a third one in construction, employs about 40 residents in this state and is currently developing a new, state-of-the-art, zero waste biodiesel facility on the Big Island. We have been producing biofuel at a rate commensurate with our state's capacity to sustain such production; however, our efforts have often been bypassed in favor of new proposed technologies which make large, but unsubstantiated promises. SB 2438 is empowering legislation based on official DOE standards for technology readiness that will allow our state utility and state officials to focus on supporting renewable energy technologies that are truly feasible, and thus move Hawai'i toward a realistic, sustainable clean energy future.

Mahalo nui loa for your consideration of our testimony.

Sincerely,

*Kelly T. King*

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