

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

NEIL ABERCROMBIE  
GOVERNOR

RICHARD C. LIM  
INTERIM DIRECTOR

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Statement of  
**RICHARD C. LIM**  
**Interim Director**  
Department of Business, Economic Development, and Tourism  
before the  
**HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION**  
**AND**  
**HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE**

Monday, March 21, 2011

2:30PM

State Capitol, Conference Room 325

in consideration of  
**SB 367, SD3**  
**RELATING TO ENERGY.**

Chair Coffman and Herkes, Vice Chair Yamane, and Members of the Committees.

The Department of Business, Economic Development, and Tourism (DBEDT) supports SB 367, SD3. DBEDT has worked closely with the Public Utilities Commission (Commission) to develop a regulatory framework provided in this bill that gives the Commission the proper discretion and authority to ensure that the implementation of the cable project is in the best interest of Hawaii's ratepayers.

SB 367, SD 3 provides the following:

- Establishes a regulatory structure under which undersea transmission cables can be developed, financed, and constructed on reasonable terms that minimize the risks to ratepayers;
- Establishes a regulatory structure to enable receipt of project proposals and costs for the construction of an inter-island high voltage electric transmission cable system ("Cable System");

- (7) The reasonableness of the request for proposals, the financial fitness of the cable company and the project-on-project risk mitigation proposed by the cable company shall be determined by the commission.
- (a) The commission shall conduct a hearing on each island to be connected by the high-voltage electric transmission cable system to obtain input from the affected communities about the high-voltage electric transmission cable system.
- (b) Any person or entity who can materially and substantively contribute to the regulatory proceedings evaluating all matters pertaining to the certification of a cable company may make an application to intervene and become a party to the proceeding.

We respectfully request your support of this bill, with the recommended changes provided above.

Thank you for the opportunity to provide these comments.

WRITTEN TESTIMONY OF HERMINA M. MORITA  
CHAIR, PUBLIC UTILITIES COMMISSION  
DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE  
JOINT HOUSE COMMITTEES ON ENERGY AND ENVIRONMENTAL PROTECTION AND  
CONSUMER PROTECTION AND COMMERCE

MARCH 21, 2011

MEASURE: S.B. No. 367 SD3  
TITLE: Relating to Energy.

Chair Coffman and Herkes and Members of the Committees:

**DESCRIPTION:**

This bill:

- Establishes a regulatory structure for the installation and implementation of an inter-island high voltage electric transmission cable system ("Inter-Island Cable System") and for the construction of on-island transmission infrastructure;
- Allows for the utility company to collect surcharges from its ratepayers to recover the costs of the cable installation on behalf of the cable company;
- Exempts the surcharges from being counted as gross income, adjusted gross income, or taxable income for tax purposes;
- Provides for the eventual acquisition of the cable system by the utility company from the cable company;
- Allows the utility company to recover the costs of acquiring the cable system and developing the on island infrastructure through an automatic rate adjustment clause and then through its rates; and
- Allows the utility to recover the costs of predevelopment and development in the event that the system is not completed.

**POSITION:**

The Commission defers to the Legislature on whether to facilitate the development of the Inter-Island Cable System by establishing a special regulatory structure and cost-recovery mechanism for such a system as provided under this bill.



**SB 367 HD1 Proposed  
RELATING TO ENERGY**

House Committee on Energy & Environmental Protection  
House Committee on Consumer Protection & Commerce

March 21, 2011

2:30 p.m.

Room 325

The Office of Hawaiian Affairs (OHA) offers the following comments on SB 367 HD1 Proposed. This bill establishes a regulatory scheme for the installation of an interisland power cable.

This issue is of particular concern to OHA and our beneficiaries because any interisland power cable in the state would lie across submerged ceded lands. Undersea power cables that would connect O'ahu to Lāna'i and Moloka'i are currently being planned. However, establishing the regulatory scheme for an interisland power cable – as contemplated in the SB367 HD1 Proposed – at this point appears presumptuous when the environmental impact studies of these projects are still at the preliminary stages. This bill in many ways validates the criticisms of our Moloka'i and Lāna'i beneficiaries that the approval and development of these projects are foregone conclusions.

Many of our beneficiaries on Moloka'i and Lāna'i are greatly concerned about the potential impacts these projects will have on their communities and feel that they are not being told the full details of how these projects will be implemented.

Mahalo nui loa for the opportunity to testify.

**coffman3 - Sean**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Friday, March 18, 2011 4:04 PM  
**To:** EEPtestimony  
**Cc:** Karen@mauipaddle.com  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Karen Chun  
Organization: Individual  
Address:  
Phone:  
E-mail: [Karen@mauipaddle.com](mailto:Karen@mauipaddle.com)  
Submitted on: 3/18/2011

**Comments:**

The idea of interconnectivity results from the operating policy for utilities which dictates that utilities must have firm power equal to peak load.

This policy was created in the past when oil reserves seem limitless. Now that policy must be re-examined.

This interisland cable is simply a boondoggle to rip off the ratepayers and make a ton of money for Rupert Murdoch and Moloka'i Ranch.

It will be carrying non-firm power from the outer islands...exploiting these rural islands so that Oahu doesn't have to address real solutions to their problem - interruptible power on air conditioners, better building design for cooling, energy efficiency and decentralized power where the benefit goes to the homeowner with wind or solar on their property instead of a large corporation siphoning off the profits.

Whoever is telling you that solar will take longer than the interisland cable and windfarms simply is not telling the truth.

Create a PACE program and it can happen faster. And the taxpayers will benefit.

Please oppose the exploitation of the neighbor islands and siphoning our money off to Murdoch and Moloka'i Ranch.

**coffman3 - Sean**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Saturday, March 19, 2011 9:25 AM  
**To:** EEPtestimony  
**Cc:** beckesq@yahoo.com  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Rebecca Spangler  
Organization: Individual  
Address:  
Phone:  
E-mail: [beckesq@yahoo.com](mailto:beckesq@yahoo.com)  
Submitted on: 3/19/2011

**Comments:**

I've just learned of SB367 HD1 that would set up a regulatory scheme for an undersea cable, to take the wind resources from the island of Lana'i to the island of O'ahu. Although I live in Pennsylvania I have spent many hours on Lana'i, have developed great appreciation for its cultural and natural resources and beauty, and fail to see how an industrial power plant would appeal to any tourist or visitor to this lovely rural island. I OPPOSE any measure that would set in motion a process before the impacts to the island are fully known. Please defer this premature bill.

Thank you for this opportunity to testify to your Committees.

Rebecca D. Spangler, Esq  
Pittsburgh, PA

**coffman3 - Sean**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Saturday, March 19, 2011 9:49 AM  
**To:** EEPtestimony  
**Cc:** jalameida@surewest.net  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Joseph Alameida  
Organization: Individual  
Address:  
Phone:  
E-mail: [jalameida@surewest.net](mailto:jalameida@surewest.net)  
Submitted on: 3/19/2011

**Comments:**

"I've just learned of SB367 HD1 that would set up a regulatory scheme for an undersea cable, to take the wind resources from the island of Lana'i to the island of O'ahu. Although I live in California, I was born and raised in Kailua, Oahu, HI and I have spent many hours on Lana'i, have developed great appreciation for its cultural and natural resources and beauty, and fail to see how an industrial power plant would appeal to any tourist or visitor to this lovely rural island. I OPPOSE any measure that would set in motion a process before the impacts to the island are fully known. Please defer this premature bill.

**coffman3 - Sean**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Saturday, March 19, 2011 10:22 AM  
**To:** EEPtestimony  
**Cc:** gvroeg@gmail.com  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: GREGORY VROEGINDEWEY  
Organization: Individual  
Address:  
Phone:  
E-mail: [gvroeg@gmail.com](mailto:gvroeg@gmail.com)  
Submitted on: 3/19/2011

**Comments:**

I am not a resident of Lanai, but as a past visitor to the island I am concerned about the planned exploitation of this rural island and its inhabitants. The natural beauty and fragile environment on this small island should not be compromised to supply energy to a densely populated sister island. I strongly support efforts to oppose this measure-- particularly before proper studies are conducted.

Best regards



**coffman3 - Sean**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Saturday, March 19, 2011 10:51 AM  
**To:** EEPtestimony  
**Cc:** sturgio17@gmail.com  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Anne Sturgis  
Organization: Individual  
Address:  
Phone:  
E-mail: [sturgio17@gmail.com](mailto:sturgio17@gmail.com)  
Submitted on: 3/19/2011

**Comments:**

I oppose this bill and support solar on roofs as it is more immediate and I am not convinced this is in the best interests of Moloka'i or Lana'i. We can do better.

**coffman3 - Sean**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Saturday, March 19, 2011 11:07 AM  
**To:** EEPtestimony  
**Cc:** ehukekahu@koanifoundation.org  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: ehu kekahu cardwell  
Organization: Individual  
Address:  
Phone:  
E-mail: [ehukekahu@koanifoundation.org](mailto:ehukekahu@koanifoundation.org)  
Submitted on: 3/19/2011

Comments:  
i oppose building wind farms on the neighbor islands without the residents of those islands permission.

**coffman3 - Sean**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Saturday, March 19, 2011 11:18 AM  
**To:** EEPtestimony  
**Cc:** evernw@aol.com  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Evern Williams  
Organization: Individual  
Address:  
Phone:  
E-mail: [evernw@aol.com](mailto:evernw@aol.com)  
Submitted on: 3/19/2011

**Comments:**

I oppose this bill because it is not well thought out. Why do you want to industrialize Lanai and Molokai to feed Oahu's energy hunger? Take more aggressive measures on Oahu to educate the public to cut back on energy use.

**coffman3 - Sean**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Saturday, March 19, 2011 11:37 AM  
**To:** EEPtestimony  
**Cc:** qehcc@hotmail.com  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Casina Waterman  
Organization: Individual  
Address:  
Phone:  
E-mail: [qehcc@hotmail.com](mailto:qehcc@hotmail.com)  
Submitted on: 3/19/2011

Comments:

**coffman3 - Sean**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Saturday, March 19, 2011 11:48 AM  
**To:** EEPtestimony  
**Cc:** ponosize@hotmail.com  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: oppose  
Testifier will be present: Yes  
Submitted by: Pono Kealoha  
Organization: Individual  
Address:  
Phone:  
E-mail: [ponosize@hotmail.com](mailto:ponosize@hotmail.com)  
Submitted on: 3/19/2011

Comments:  
NO TREATY NO ANNEXATION NO U.S. LAWS IN MY OCCUPIED &quot;NEUTRAL&quot; SOVEREIGN KINGDOM  
NATION

**coffman3 - Sean**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Saturday, March 19, 2011 1:18 PM  
**To:** EEPtestimony  
**Cc:** dccorcoran160@yahoo.com  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Deirdre Corcoran  
Organization: Individual  
Address:  
Phone:  
E-mail: [dccorcoran160@yahoo.com](mailto:dccorcoran160@yahoo.com)  
Submitted on: 3/19/2011

Comments:

**coffman3 - Sean**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Saturday, March 19, 2011 1:33 PM  
**To:** EEPtestimony  
**Cc:** kanakaoomaunawili@gmail.com  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: comments only  
Testifier will be present: No  
Submitted by: Luwella K Leonardi  
Organization: Individual  
Address:  
Phone:  
E-mail: [kanakaoomaunawili@gmail.com](mailto:kanakaoomaunawili@gmail.com)  
Submitted on: 3/19/2011

Comments:  
Aloha,

I am in opposition to wind farms on Molokai and Lani! Why, because I have been to Palm Springs and I have seen the windfarms with my own eyes. At first, I thought it was a good idea for people to get a tax break by paying for a windmill and have their names placed on the windmill, then I thought about the richer people encroaching on the Native Americans forcing gambling to feed the habits of the rich. Windfarms are not for locals its for speculative realstates. And the high price realstates are for people not living in Hawaii. Hawaii already wrecks with poverty, despise and invasive habits upon pristine environment that belongs to native Hawaiians and their ancestors aina. We will just feed the rich endeavors and displace native Hawaiian people from their land. For this reason I am oppose to any windfarms on Molokai and Lani.

**coffman3 - Sean**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Saturday, March 19, 2011 1:33 PM  
**To:** EEPtestimony  
**Cc:** 11magfio@hawken.edu  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: fiona maguire  
Organization: Individual  
Address:  
Phone:  
E-mail: [11magfio@hawken.edu](mailto:11magfio@hawken.edu)  
Submitted on: 3/19/2011

**Comments:**

I am opposed to SB367 HD, the undersea cable scheme, which will take wind resources from Lana'i to Oahu. I have spent several family vacations on Lana'i because of its beauty and natural resources, and I fail to see the attraction of an industrial power plant there. Please defer this premature bill.



**coffman3 - Sean**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Saturday, March 19, 2011 1:42 PM  
**To:** EEPtestimony  
**Cc:** sineadmaguire@colorado.edu  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: sinead maguire  
Organization: Individual  
Address:  
Phone:  
E-mail: [sineadmaguire@colorado.edu](mailto:sineadmaguire@colorado.edu)  
Submitted on: 3/19/2011

**Comments:**

The island of Lanai remains one of my favorite places on the earth because of its beauty and natural resources,if the bill SB367 ,is passed,I will never set foot on the island again. I am vehemently opposed to taking wind resouces from Lanai to Oahu .Please deferthis premature bill.

Sinead Maguire,Boulder ,Colorado.

To: Committee on Energy and Environmental Protection, Rep. Denny Coffman, Chair  
Committee on Consumer Protection and Commerce, Rep. Robert Herkes, Chair  
Re: **SB 367 HD 1**  
Hearing 3/21/11 at 2:30 p.m., Room 325

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Last week over fifty individuals and organizations submitted testimony in opposition to SB367 SD3, HECO's premature attempt to establish a regulatory scheme for a proposed undersea cable.

This measure remains premature. Although all associated costs will eventually be repaid out of the pockets of Hawai'i's ratepayers, none of the studies supporting this "scheme" or identifying the scope of anticipated rate increases, adjustments, and surcharges have been publicly vetted. **Not a single environmental study has been completed.**

On Thursday, 3/17/11, DBEDT proposed several amendments to SB367 HD1 that effectively weaken an already damaged measure. The amendments would increase ratepayer costs and remove well-established procedures designed to protect the public interest:

1. The amendment to the definition of a "certified cable company" suggests the removal of a competitive bidding process in favor of a necessarily vague "commission authorized bidding process" to be defined at some unknown future date. The legislature should not support an ill-defined, "to-be-determined" process.
2. The addition of "land acquisition costs" to include purchasing, licensing, leases, rents "commissions" (?) and other unidentified "possible" costs is overly broad and can only serve to additionally burden Hawai'i's ratepayers to an unidentified amount.
3. In so far as the modifications to the definition of a "Request for Proposal" fall under the same undefined "commission authorized bidding process," it should be rejected.
4. Deleting a time-frame requiring the PUC to hold a hearing on each island "to be connected" by the cable to O'ahu begs the question of when such a hearing would be held. Before the bidding process begins? After a bid is selected but before the certification process? If hearings contemplated under this proposed legislation do not occur in a timely manner, they will be empty gestures and will likely further inflame ratepayers already convinced that no one really represents them.
5. To suggest that a person may only become a party to the cable certification process so long as they can establish a "material and substantive" contribution to "ALL matters" means no one will likely qualify.

This version, SB367 HD1, remains extremely premature. When the agencies attempting to oversee this process fail to agree on fundamental issues such as when and who will ultimately run the procurement process, it should be deferred. Or better yet, permanently filed.

Thank you for considering my testimony.

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Sally Kaye • 511 Ilima Ave. • P.O. Box 631313 • Lana'i City, HI 96763 • 808/565-6276 • [skaye@runbox.com](mailto:skaye@runbox.com)

**coffman3 - Sean**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Saturday, March 19, 2011 4:23 PM  
**To:** EEPtestimony  
**Cc:** dburns007@yahoo.com  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Donna Burns  
Organization: Individual  
Address:  
Phone:  
E-mail: [dburns007@yahoo.com](mailto:dburns007@yahoo.com)  
Submitted on: 3/19/2011

**Comments:**

When I was at Kamehameha ('69), my Father, a civil engineer with the Navy worked to have Wind/Solar energy here. HECO blocked his wanting to bring in windmills and solar panels from Australia. He fought long and hard, but eventually said..."HECO will only agree to this once they can find a way to control it and make money from it." He was prophetic. Other remedies are available...stop allowing monopolies like HECO have "their way" with the public. Small windmills should be allowed on each property...so avoid what is being proposed.

**coffman3 - Sean**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Saturday, March 19, 2011 4:39 PM  
**To:** EEPtestimony  
**Cc:** preble@hawaii.rr.com  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Sarah and Duane Preble  
Organization: Individual  
Address:  
Phone:  
E-mail: [preble@hawaii.rr.com](mailto:preble@hawaii.rr.com)  
Submitted on: 3/19/2011

**Comments:**  
We strongly believe our energy sources should be diverse, flexible and fluid - like the internet.

We have 42 PV panels on our roof and they do NOT create a problem for HECO. They pay for nearly all our energy and will provide power for our on-order electric Nissan Leaf.

This state needs energy decentralization.

**coffman3 - Sean**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Saturday, March 19, 2011 4:48 PM  
**To:** EEPtestimony  
**Cc:** finnis@ozemail.com.au  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Kay Finnis  
Organization: Individual  
Address:  
Phone:  
E-mail: [finnis@ozemail.com.au](mailto:finnis@ozemail.com.au)  
Submitted on: 3/19/2011

**Comments:**

I have just learned of SB367HD1 that would set up a regualtroy scheme for an undersea cable, to take the wind resources from the Island of Lana'i to the Island of O'ahu. Although I live in Brisbane Australia, I have spent some time on Lana'i and have developed a great appreciation for its cultural and natural resources and beauty, and fail to see how an industrial power plant would appeal to any tourist or visitor to this lovely rural Island. My feelings of opposition are more strengthened after reading what Wind Turbines are doing to our own Rural Countryside in 20th March, 2011 edition of the Sydney Sunday Telegraph. The pristine naturalness of Lana'i is going to be seriously eroded and considering how little electricity is going to be generated by these Wind Turbines, it seems absolute sacrilage to destroy the beauty of this Island. Kay Finnis.

**coffman3 - Sean**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Saturday, March 19, 2011 5:36 PM  
**To:** EEPtestimony  
**Cc:** mssaul2000@yahoo.com  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Wendy Saul  
Organization: Individual  
Address:  
Phone:  
E-mail: [mssaul2000@yahoo.com](mailto:mssaul2000@yahoo.com)  
Submitted on: 3/19/2011

**Comments:**

I've heard about SB367 HD1 that would set up a regulatory scheme for an undersea cable, to take the wind resources from the island of Lanai to the island of Oahu. Although I live in Pennsylvania, I have spent many hours on Lanai, have developed great appreciation for its cultural and natural resources and beauty, and fail to see how an industrial power plant would appeal to any tourist or visitor to this lovely rural island. I OPPOSE any measure that would set in motion a process before the impacts to the island are fully known. Please defer this premature bill.

Thank you for this opportunity to testify to your Committees.

Wendy Saul  
New Freeport, PA

**coffman3 - Sean**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Saturday, March 19, 2011 5:47 PM  
**To:** EEPtestimony  
**Cc:** gdk@runbox.com  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: grant kaye  
Organization: Individual  
Address:  
Phone:  
E-mail: [gdk@runbox.com](mailto:gdk@runbox.com)  
Submitted on: 3/19/2011

**Comments:**

I've just learned of SB367 HD1 that would set up a regulatory scheme for an undersea cable, to take the wind resources from the island of Lana'i to the island of O'ahu. Although I live in California I grew up on Lana'i, have developed great appreciation for its cultural and natural resources and beauty, and fail to see how an industrial power plant would appeal to any tourist or visitor to this lovely rural island. I OPPOSE any measure that would set in motion a process before the impacts to the island are fully known. Please defer this premature bill, and focus future research into more diversified alternative energy schemes, such as deploying solar panels on single family homes across O'ahu.

Thank you for this opportunity to testify to your Committees.

Grant kaye  
Truckee,california  
(Formerly of Lana'i)

**coffman3 - Sean**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Saturday, March 19, 2011 7:07 PM  
**To:** EEPtestimony  
**Cc:** kirstenkkaye@gmail.com  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Kirsten Kaye  
Organization: Individual  
Address:  
Phone:  
E-mail: [kirstenkkaye@gmail.com](mailto:kirstenkkaye@gmail.com)  
Submitted on: 3/19/2011

**Comments:**

I've just learned of SB367 HD1 that would set up a regulatory scheme for an undersea cable, to take the wind resources from the island of Lana'i to the island of O'ahu. Although I live in Truckee, California I have spent many hours on Lana'i, have developed great appreciation for its cultural and natural resources and beauty, and fail to see how an industrial power plant would appeal to any tourist or visitor to this lovely rural island. I OPPOSE any measure that would set in motion a process before the impacts to the island are fully known. Please defer this premature bill.

Thank you for this opportunity to testify to your Committees.

Kirsten Kaye  
Truckee, CA



**coffman3 - Sean**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Saturday, March 19, 2011 7:28 PM  
**To:** EEPtestimony  
**Cc:** pili\_sol@yahoo.com  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Sol P. Kaho'ohalahala  
Organization: Individual  
Address:  
Phone:  
E-mail: [pili\\_sol@yahoo.com](mailto:pili_sol@yahoo.com)  
Submitted on: 3/19/2011

**Comments:**

This bill is not ready for passage. There are many other considerations that have yet to be discussed and deliberated before this issued can be considered. Do not pass SB367.

**coffman3 - Sean**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 20, 2011 5:25 AM  
**To:** EEPtestimony  
**Cc:** buzz.green@gmail.com  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: support  
Testifier will be present: No  
Submitted by: Buzz and Bonnie Green  
Organization: Individual  
Address:  
Phone:  
E-mail: [buzz.green@gmail.com](mailto:buzz.green@gmail.com)  
Submitted on: 3/20/2011

**Comments:**

"I've just learned of SB367 HD1 that would set up a regulatory scheme for an undersea cable, to take the wind resources from the island of Lana'i to the island of O'ahu. Although I live in Seattle I have spent many hours on Lana'i, have developed great appreciation for its cultural and natural resources and beauty, and fail to see how an industrial power plant would appeal to any tourist or visitor to this lovely rural island. I OPPOSE any measure that would set in motion a process before the impacts to the island are fully known. Please defer this premature bill.

Thank you for this opportunity to testify to your Committees.

Please do not do anything to endanger the livelihood, beauty, &quot;Old Hawai'iness&quot; of the island. Do things that have a 100% positive impact on Lana'i and its' peoples. The power plant does not meet the criteria!

**coffman3 - Sean**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 20, 2011 6:00 AM  
**To:** EEPtestimony  
**Cc:** a.portnoydurgin@gmail.com  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Adrienne Portnoy  
Organization: Individual  
Address:  
Phone:  
E-mail: [a.portnoydurgin@gmail.com](mailto:a.portnoydurgin@gmail.com)  
Submitted on: 3/20/2011

**Comments:**

I've just learned of SB367 HD1 that would set up a regulatory scheme for an undersea cable, to take the wind resources from the island of Lana'i to the island of O'ahu. Although I live in Truckee, CA I have spent many hours on Lana'i, have developed great appreciation for its cultural and natural resources and beauty, and fail to see how an industrial power plant would appeal to any tourist or visitor to this lovely rural island. I OPPOSE any measure that would set in motion a process before the impacts to the island are fully known. Please defer this premature bill.

Thank you for this opportunity to testify to your Committees.

Adrienne Portnoy  
Truckee, California

**coffman3 - Sean**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 20, 2011 8:44 AM  
**To:** EEPtestimony  
**Cc:** nakayamad007@hawaii.rr.com  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Darlene H. Nakayama  
Organization: Individual  
Address:  
Phone:  
E-mail: [nakayamad007@hawaii.rr.com](mailto:nakayamad007@hawaii.rr.com)  
Submitted on: 3/20/2011

**Comments:**

"I've just learned of SB367 HD1 that would set up a regulatory scheme for an undersea cable, to take the wind resources from the island of Lana'i to the island of O'ahu. Although I live on Oahu I have spent many hours on Lana'i, have developed great appreciation for its cultural and natural resources and beauty, and fail to see how an industrial power plant would appeal to any tourist or visitor to this lovely rural island. I OPPOSE any measure that would set in motion a process before the impacts to the island are fully known. Please defer this premature bill.

Thank you for this opportunity to testify to your Committees.

Darlene H. Nakayama  
Honolulu, Hawaii

**coffman3 - Sean**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 20, 2011 8:52 AM  
**To:** EEPtestimony  
**Cc:** Jesse@SquawAdventure.com  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Jesse Desens  
Organization: Individual  
Address:  
Phone:  
E-mail: [Jesse@SquawAdventure.com](mailto:Jesse@SquawAdventure.com)  
Submitted on: 3/20/2011

**Comments:**

I've just learned of SB367 HD1 and think the bill is premature. I am opposed to a measure that would set in motion a process before the impacts to the island are fully known. Although I live in Lake Tahoe, I have spent many hours on Lana'i and have developed a great appreciation for its cultural and natural resources and beauty. Please defer this premature bill.

Jesse Desens  
Tahoe City, CA

*\* See back for more*

**coffman3 - Sean**

*Comments*

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 20, 2011 9:11 AM  
**To:** EEPtestimony  
**Cc:** Mugs122257@aol.com  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Margaret Kitamura  
Organization: Individual  
Address:  
Phone:  
E-mail: [Mugs122257@aol.com](mailto:Mugs122257@aol.com)  
Submitted on: 3/20/2011

**Comments:**

Correcton to previous testimony. I clicked on support in error. I oppose this cable being put into place prior to any action to cement the benefits to the people of Lana'i.

**coffman3 - Sean**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 20, 2011 10:36 AM  
**To:** EEPtestimony  
**Cc:** lukalex1@gmail.com  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Alex M. Luka  
Organization: Individual  
Address:  
Phone:  
E-mail: [lukalex1@gmail.com](mailto:lukalex1@gmail.com)  
Submitted on: 3/20/2011

Comments:  
I oppose this legislation/bill.

KAT BRADY  
P.O. BOX 37313  
HONOLULU, HI 96837  
[katbrady@hotmail.com](mailto:katbrady@hotmail.com)

**COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION**

Rep. Denny Coffman, Acting Chair

**COMMITTEE ON CONSUMER PROTECTION & COMMERCE**

Rep. Robert Herkes, Chair

Rep. Ryan Yamane, Vice Chair

Monday, March 21, 2011

2:30 p.m.

Room 325

**OPPOSE - SB 367 SD3 - RELATING TO ENERGY - REGULATORY STRUCTURE**

Aloha Chairs Coffman and Herkes and Members of the Committees!

My name is Kat Brady and I am a Justice Advocate. I am testifying today on my own behalf against SB 367 SD3 HD1.

I find it immensely ironic that this proposal is moving forward despite widespread opposition. Before a case can be brought to court it must be considered "ripe", meaning that all other remedies have been exhausted.

In the case of this cable/big wind project, the renewable energy potential on O`ahu has not been nearly tapped. O`ahu is surrounded by a deep cold ocean, has some terrific wind sites (Black Point, for one) that have not even been explored, and thousands of rooftops that could be solar energy generators.

Instead of working earnestly to make each island energy self-reliant, HECO and their cronies continue the fake mantra of "There is no renewable energy on O`ahu." That is a lie that has been perpetrated by those who stand to gain something from this proposal.

The term sheets for the big wind project were due on March 18, 2011 according to the PUC's Decision and Order No. 2009-0327 (November 18, 2010). These documents were not produced on March 18<sup>th</sup> and the lands needed on Moloka`i have not yet been identified or secured.

It is unconscionable to me this legislature would even consider any proposal that takes 25% of Lana`i island to power 10% of O`ahu's over-consumption.

Please hear the cries of the people, especially those of our neighbors on Lana`i, and don't move forward on this premature and outrageously expensive proposal.

Neighbor Island legislators, please think about this: "Today O`ahu is proposing to steal the resources of Moloka`i and Lana`i - what will they try to steal from *your* island tomorrow?"

*Love Thy Neighbor ~ Don't steal their resources!*

Mahalo for this opportunity to share my thoughts and disappointment that this proposal would even be considered. This is just another railroad job by the State of O`ahu!



**coffman3 - Sean**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 20, 2011 1:32 PM  
**To:** EEPtestimony  
**Cc:** inunyabus@gmail.com  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: e.dunbar  
Organization: Individual  
Address:  
Phone:  
E-mail: [inunyabus@gmail.com](mailto:inunyabus@gmail.com)  
Submitted on: 3/20/2011

**Comments:**

This is more of the same; in no way retreating from fossil fuels. Expansion of power to meet the demands of Oahu is not fair to Molokai and Lanai; all islands are far beyond carrying capacity because of the PUC rubber stamping any huge corporation that comes before them. We are always told, with new projects, the rates will go down in the future...but somehow they always go up. And stay up. As well, increases in utility fees for all to pay for this and a benefit to the cable company with no assurance it will even be completed. The reality of a fiasco that it would not even be completed (especially in this economic downturn) should be cause to pause. Oahu has been RUINED and expansion to still somewhat rural islands is NOT the answer. You are assigned the task of protecting and preserving these islands and it does not seem this responsibility is a serious consideration by you. Rethink this. Or keep your problems where they currently are: Oahu.

This proposal is seriously a Trojan Horse.

**coffman3 - Sean**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 20, 2011 3:49 PM  
**To:** EEPtestimony  
**Cc:** jb116munro@cableone.net  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: William G. Munro  
Organization: Individual  
Address:  
Phone:  
E-mail: [jb116munro@cableone.net](mailto:jb116munro@cableone.net)  
Submitted on: 3/20/2011

**Comments:**

This is to inform the committee that I strongly oppose SB 367. I understand the purpose of this bill is to expedite the wind farm proposal on the Lana`i by eliminating the required environmental impact studies. This proposed project cannot help but create substantial environmental damage and to avoid the studies would be irresponsible and against the long-term interests of the citizens of Hawaii.

Although I live in Cottonwood, AZ, I was raised on Lana`i and visit every year or two.

**coffman3 - Sean**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 20, 2011 4:06 PM  
**To:** EEPtestimony  
**Cc:** jb116munro@cableone.net  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Jean Munro  
Organization: Individual  
Address:  
Phone:  
E-mail: [jb116munro@cableone.net](mailto:jb116munro@cableone.net)  
Submitted on: 3/20/2011

**Comments:**

Although I live in Cottonwood, AZ, Lana`i has been home to me ever since my first visit to the island in 1954. I am strongly opposed to this, or any other, measure that would permit the process to begin before the impacts to the island are fully known. Please defer this bill until adequate environmental studies can be not only performed, but evaluated as well. As my grandmother used to say - please make haste slowly!

Jean Munro  
Cottonwood, AZ

**coffman3 - Sean**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 20, 2011 7:30 PM  
**To:** EEPtestimony  
**Cc:** KAILUAKONA3000@GMAIL.COM  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Guy Toyama  
Organization: Individual  
Address:  
Phone:  
E-mail: [KAILUAKONA3000@GMAIL.COM](mailto:KAILUAKONA3000@GMAIL.COM)  
Submitted on: 3/20/2011

Comments:

**coffman3 - Sean**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 21, 2011 6:31 AM  
**To:** EEPtestimony  
**Cc:** grettakohler@gmail.com  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Gretta Kohler  
Organization: Individual  
Address:  
Phone:  
E-mail: [grettakohler@gmail.com](mailto:grettakohler@gmail.com)  
Submitted on: 3/21/2011

**Comments:**

I've just learned of SB367 HD1 that would set up a regulatory scheme for an undersea cable, to take the wind resources from the island of Lana'i to the island of O'ahu. Although I live in North Carolina, I have spent many hours on Lana'i, have developed great appreciation for its cultural and natural resources and beauty, and fail to see how an industrial power plant would appeal to any tourist or visitor to this lovely rural island. I OPPOSE any measure that would set in motion a process before the impacts to the island are fully known. Please defer this premature bill.

Thank you for this opportunity to testify to your Committees.

Gretta Kohler  
Winston-Salem, NC



LIFE OF THE LAND  
 76 North King Street, Suite 203  
 Honolulu, Hawai'i 96817  
 Phone: 533-3454; [henry.lifeoftheland@gmail.com](mailto:henry.lifeoftheland@gmail.com)

COMMITTEE ON ENERGY AND ENVIRONMENTAL POLICY  
 Rep. Denny Coffman, Chair

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

DATE: Monday, March 21, 2011  
 TIME: 2:30 PM  
 PLACE: Conference Room 308  
 BILL: SB367 SD3 Proposed HD1 Interisland Cable **OPPOSE**

Aloha Chairs Coffman and Herkes and Members of the Committee.

My name is Henry Curtis and I am the Executive Director of Life of the Land, Hawai'i's own energy, environmental and community action group advocating for the people and `aina for four decades. Our mission is to preserve and protect the life of the land through sound energy and land use policies and to promote open government through research, education, advocacy and, when necessary, litigation.

Available Renewable Energy Resources on O`ahu

Oahu has 150 square miles of urban lands and at least 50 square miles of agricultural lands on from Haleiwa to Kalaeloa. Each square mile can have 20-100MW of solar depending on how developed it is.

the Department of Hawaiian Home Lands. Because the new parcel was essentially a greenfield site, Kalaeloa Solar elected to revise their design to a ground mounted tracking system.”<sup>2</sup>

**Castle & Cooke 20 MW Solar Park** “Castle & Cooke, Inc. ("C&C") has approached Hawaiian Electric with the concept of a "Solar Energy Park" consisting of four 5 MW facilities developed on four adjacent sites. C&C proposes that each facility will be "independently owned and developed by a separate PV developer on approximately 30 acres of land leased by Castle & Cooke to a developer for a term of not less than 20 years.”<sup>3</sup>

**Mapunapuna Solar Assessment:** “A research team led by Steven Meder examined the potential of Mapunapuna to produce solar electric power. The research team examined the roof area, roof type, the roof slopes (tilt angle or pitch), the orientation or azimuth angle of the rooftop surfaces, overhangs, shadow effects, the clearness index (how much cloud cover should be considered), shading coefficient (produced by rooftop mechanical equipments, adjacent buildings, parapets, etc.), the Albedo factor (ground reflection), the actual average monthly and yearly amount of solar radiation received. The research team relied upon included the City and County of Honolulu GIS website, aerial photographs, and DBEDT and the US Department of Energy's National Renewable Energy Laboratory (NREL) "sunshine maps", or solar calorie maps. The research team used walking and driving surveys, Digital Elevation Models (DEM), and the Environmental System Research Institute's Image Analysis, a GIS-driven image recognition program. The results are that

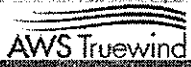
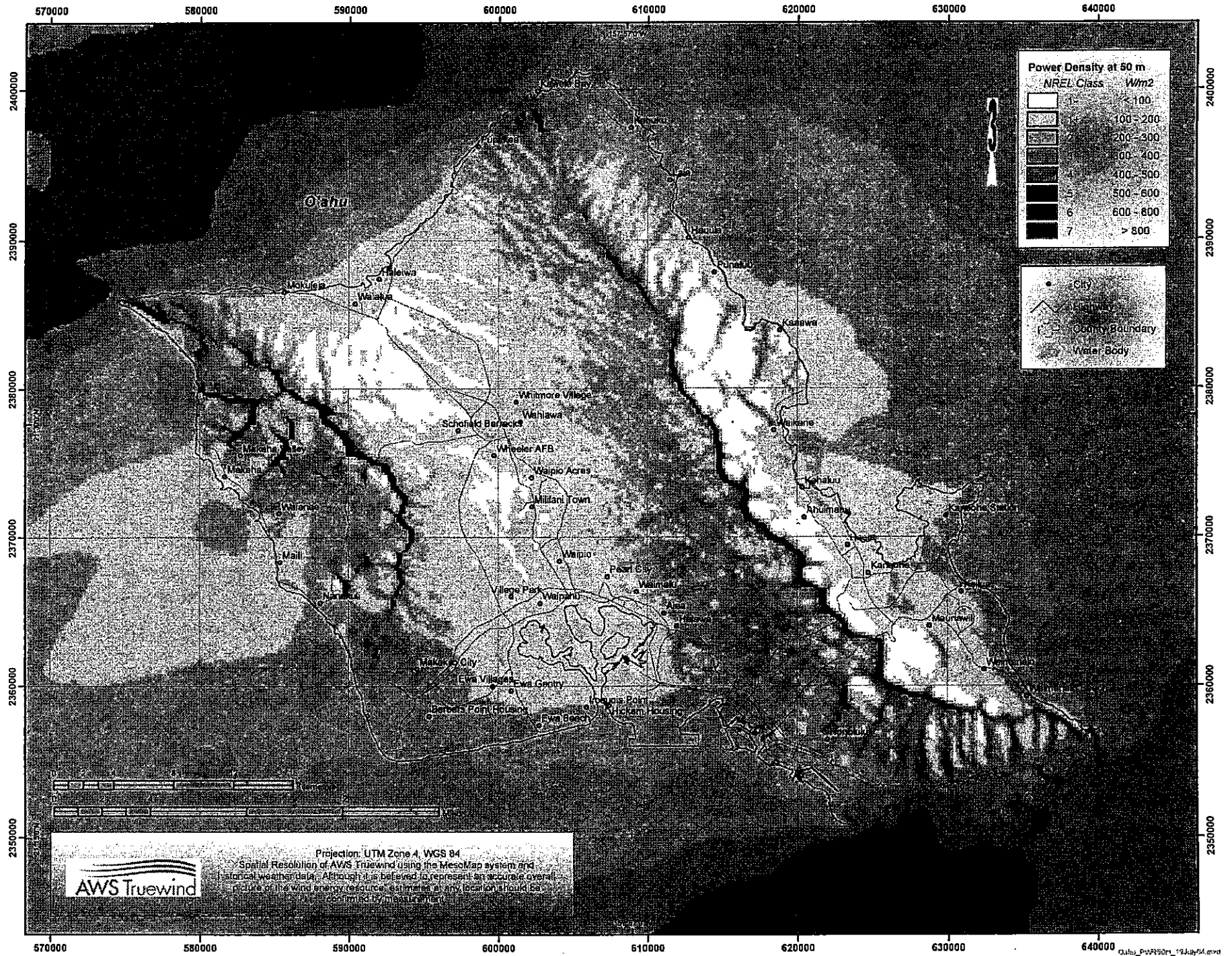
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<sup>2</sup> HECO Application, PUC 2011-0051, dated March 9, 2011

<sup>3</sup> PUC Docket 2010-0079

# Wind Power Density of Oahu at 50 Meters

## Final Map





**coffman3 - Sean**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 21, 2011 2:21 PM  
**To:** EEPtestimony  
**Cc:** deetex123@aol.com  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: diane texidor  
Organization: Individual  
Address:  
Phone:  
E-mail: [deetex123@aol.com](mailto:deetex123@aol.com)  
Submitted on: 3/21/2011

**Comments:**

I am strongly against SB367. Please protect the islands of Moloka'i and Lana'i from wind farms which, in the end, will not address the overcrowding and population growth of O'ahu. More people will come to live in these islands until there is no sustainability of any kind to support the population growth. Creating wind farms will not address the deeper issues regarding unguarded growth in Hawaii'i.  
Thank you for your support in opposition to SB367.

SB347

morita2----Lahela

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**From:** EEPtestimony  
**Sent:** Monday, March 21, 2011 2:53 PM  
**To:** morita2----Lahela  
**Subject:** FW: Testimony for SB367 on 3/21/2011 2:30:00 PM

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**From:** mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]  
**Sent:** Monday, March 21, 2011 2:46 PM  
**To:** EEPtestimony  
**Cc:** palolo@hawaii.rr.com  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Lynette Cruz  
Organization: Individual  
Address:  
Phone:  
E-mail: [palolo@hawaii.rr.com](mailto:palolo@hawaii.rr.com)  
Submitted on: 3/21/2011

**Comments:**

This makes no sense, certainly not if you consider ahupuaa management principles. Communities should learn to live within their own means, and use their own resources. When the resources no longer support the population, then the population must adjust. The resources are finite. That makes sense. So adjust the population base. In addition, it doesn't hurt to ask permission from those in neighboring ahupuaa or districts for permission to use their stuff.

SB367

coffman3 - Sean

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 21, 2011 4:07 PM  
**To:** EEPtestimony  
**Cc:** beachler.david@verizon.net  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: David Beachler  
Organization: Individual  
Address:  
Phone:  
E-mail: [beachler.david@verizon.net](mailto:beachler.david@verizon.net)  
Submitted on: 3/21/2011

Comments:

I have recently learned of SB367 HD1 that would set up a regulatory scheme for an underground cable to take electricity generated by wind mills from the island of Lana'i to the island of O'ahu. Although I live in the state of Pennsylvania, I have spent many hours in Lana'i and admire the the cultural resources and beauty of the island. I do not see how a power plant would appeal to any tourist or visitor that may want to visit the island. I oppose the measure that would set into motion a process before the impacts to the island are thoroughly studied and are published. Please defer this bill.

Thank you for the opportunity to testify to this committee.

Sincerely,

David and Debra Beachler  
Pittsburgh, PA

coffman3 - Sean

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 21, 2011 4:08 PM  
**To:** EEPtestimony  
**Cc:** Natforlife@yahoo.com  
**Subject:** Testimony for SB367 on 3/21/2011 2:30:00 PM

Testimony for EEP/CPC 3/21/2011 2:30:00 PM SB367

Conference room: 325  
Testifier position: oppose  
Testifier will be present: Yes  
Submitted by: Rachel KAuhola  
Organization: Individual  
Address:  
Phone:  
E-mail: [Natforlife@yahoo.com](mailto:Natforlife@yahoo.com)  
Submitted on: 3/21/2011

Comments:

I appoze such legislation for the fact we need to decrease our demand for oil and this is not a positive aspect in this day and age.

**SB 367**

**Testimony before the House Committees on  
Energy & Environmental Protection and  
Consumer Protection & Commerce**

**By Scott Seu  
Vice President, Energy Resources  
Hawaiian Electric Company**

**March 21, 2011**

**Senate Bill 367, SD 3, Proposed HD 1  
Relating to Renewable Energy**

Chairs Coffman and Herkes, Vice Chair Yamane, and Members of the  
Committees:

I am testifying today on behalf of Hawaiian Electric Company in support of SB 367, Proposed HD 1. The bill establishes a regulatory structure under which the Public Utilities Commission (PUC) could oversee certification of an independent transmission utility to commercially develop, finance and construct an undersea energy transmission cable system to transmit clean, renewable energy between the Hawaiian islands. We believe that SB 367, Proposed HD 1 provides a strong public policy foundation and regulatory structure to protect the public interest with the ultimate goal of interconnecting the separate island grids.

Background

Under the State's Renewable Portfolio Standard (RPS) law, Hawaiian Electric Company is mandated to generate 25% of our electricity from renewable resources by the year 2020 and 40% by 2030. This is a very aggressive goal, but one which we are determined to meet. There is no single "silver bullet" of renewable energy that will help us achieve this goal: it will take all forms, including wind, solar, hydro, wave energy, geothermal, biofuels and eventually we hope ocean thermal energy conversion (OTEC) to get us to the target.

Part of our challenge is geographic: the demand for electricity is greatest on Oahu, but the greatest renewable resources are on the neighbor islands where demand is far lower. With partners, we are doing as much as we can on

Oahu, including more waste-to-energy (H-POWER and others on the drawing boards); wind farms at Kahuku and above the North Shore and perhaps elsewhere; utility scale solar farms at Kalaeloa and Mililani, plus solar on customers' rooftops. Oahu has no geothermal potential and no rivers strong enough to provide hydropower. So even with doing as much as we can, this island's renewable resources are not sufficient to meet the demand created by all who live and work here.

For the past two years, the State of Hawaii, U. S. Department of Energy, and Hawaiian Electric have been exploring the feasibility of an inter-island undersea electrical cable system that would be able to transmit wind generated energy from Lanai and Molokai, which has some of the best wind in the world, to Oahu. It is estimated that the electricity from 400 megawatts (MW) of wind power from those islands would provide about 20% of Oahu's energy. (It would actually displace about 35% of Oahu's oil use for electricity production, providing a very substantial hedge against fluctuating oil prices.)

By providing a statewide electrical grid and a way to move renewable energy from where it is abundant to where it is needed, the inter-island cable will help our State achieve a clean energy future and enable us to reach the State goal of 70% clean energy by 2030.

#### Bill description

Under the proposed bill, the bulk of the risk and responsibility for permitting, designing, engineering, financing, constructing and commissioning the cable would be assumed by a private developer who would be selected through a competitive request for proposal (RFP) process supervised and approved by the PUC. This would allow the cable system to be developed at a lower cost to electric customers than if Hawaiian Electric or the State were to develop it, given Hawaiian Electric's financial rating and the State's strained budget.

This approach was essentially successfully used for the Trans Bay Project to bring 400 MW of power to San Francisco from a generating facility across the bay in Pittsburg, California.

The structure proposed in the bill establishes a certification process, by which the PUC would certify and regulate a cable developer selected through competitive bidding as a public utility. During certification, public hearings would be conducted on each island potentially to be connected by a cable system to invite public comment and input. Once certified, a cable developer would be regulated as a transmission utility by the PUC and subject to PUC utility rules, regulations and processes.

As part of certification, the PUC would set a fair rate of return on investment to the transmission utility, taking into account the risks assumed by the developer. Upon commercial operation, the transmission utility would be able to recover its cable development and construction costs through a PUC-approved surcharge.

Hawaiian Electric would collect the surcharge payment from electric customers on behalf of the transmission utility, just as Hawaiian Electric now collects the PUC fee and public benefits fund surcharges, with no mark up or profit to Hawaiian Electric.

The completed undersea cable system would be owned and operated by the transmission utility, unless Hawaiian Electric exercises an option to purchase it, subject to PUC approval.

The bill also allows for Hawaiian Electric to recover its prudently incurred capital costs to construct the Oahu infrastructure needed to connect to the cable system and distribute electricity brought via undersea cable to Oahu.

#### Rationale for regulatory structure

The proposed structure would allow the cable developer to finance the project on better terms -- that is, at lower cost -- which ultimately would benefit all electricity customers, in effect all residents and businesses on Oahu.

At the same time, this bill still ensures that regulatory oversight is required for all key decisions.

Hawaiian Electric is regulated by the PUC. We cannot collect any monies from our customers via a surcharge or adjustment clause unless it is first reviewed and approved by the PUC. In addition, the Consumer Advocate would also be a party to any request for approval of use of a surcharge or automatic adjustment clause. Both the PUC and the Consumer Advocate would need to determine whether the proposal is just, reasonable and in the public interest.

The proposed legislation creates a regulatory structure wherein the cable developer would also be under the purview of the PUC and subject to regulation. Choosing the appropriate cable developer for the project would be subject to an RFP process with oversight from the Commission.

There is an option for the electric utility to purchase the underwater cable system at some future time. Such transfer would still require approval of the PUC and review by the Consumer Advocate. The potential to sell the cable system after construction is complete and it is in routine operation could make the project more attractive to developers whose core business is construction and thus may invite more and better bidders. However, once construction is complete and routine operations and maintenance are underway, the cable might be more efficiently operated by Hawaiian Electric, which is already experienced in operating all other electric transmission on Oahu. Again, that will be a matter for the PUC to decide.

The proposed legislation also allows the electric utility to recover any prudently incurred costs should it be determined, with PUC approval, that it is not necessary to complete the on-island infrastructure.

Perhaps it is worth also being clear about what this bill does not do. It would not approve or make the decision to proceed with the project. It would not remove any responsibility for parties to consult the impacted communities, prepare fully accepted EIS documents, or gain any of the other permits and approvals needed.



It does establish a framework for the PUC to control the process and make the decisions that it does not today have the explicit power to make, as this sort of project has never happened before.

Obviously, the project has three major parts -- one or more wind farms on neighbor islands, the cable system and the Oahu upgrades. Failing any one, the others are not needed or do not make sense. And this bill specifically establishes the PUC as the government authority to make sure that the wind farms are coming, and that the upgrades are coming, BEFORE committing to allow the cable. Failing this, no one really has the power today to protect the public interest by ensuring that no part goes forward if all parts do not go forward. The approval of the PPAs will govern the utilities and wind farm developers, certification and approval of the transmission utility will govern the cable developer.

We urge the Committees to pass this bill. Thank you for the opportunity to testify.