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TO THE HOUSE COMMITTEE  
ON FINANCE

THE TWENTY-SEVENTH LEGISLATURE  
REGULAR SESSION OF 2013

FRIDAY, FEBRUARY 22, 2013  
1:30 P.M.

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

HOUSE BILL NO. 1149, HD2 - RELATING TO WIND ENERGY FACILITIES

DESCRIPTION:

This measure proposes to require the owner of a wind energy facility to be responsible for decommissioning of the facility and to provide evidence of financial security and outlines the elements of proper decommissioning.

POSITION:

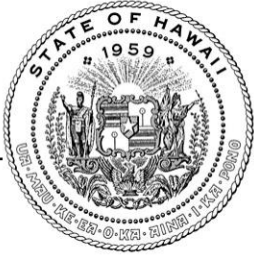
The Division of Consumer Advocacy (Consumer Advocate) supports H.B. No. 1149, HD2.

House Bill No. 1149, HD2  
House Committee on Finance  
Friday, February 22, 2013, 1:30 p.m.  
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COMMENTS:

The Consumer Advocate has expressed the concerns that this bill addresses in a number of Public Utility Commission dockets for the application of approval of power purchase agreements (PPA) between the electric utility and wind energy developers. It has been, and will continue to be, the position of the Consumer Advocate that PPAs for wind energy must contain safeguards against wind turbines being abandoned in the field after they have run their useful life. H.B. No. 1149, HD2 is consistent with this position; therefore, the Consumer Advocate supports H.B. No. 1149, HD2.

Thank you for this opportunity to testify.



## DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

NEIL ABERCROMBIE  
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Statement of  
**Richard C. Lim**  
Director

Department of Business, Economic Development, and Tourism  
before the  
**House Committee on Finance**  
Friday, February 22, 2013  
1:30 PM  
State Capitol, Conference Room 308

in consideration of  
**HB 1149, HD2**  
**RELATING TO WIND ENERGY FACILITIES.**

Chair Luke, Vice Chairs Nishimoto and Johanson, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) respectfully offers comments on HB 1149, HD2, which requires the owner of a wind energy facility to be responsible for decommissioning of the facility and to provide evidence of financial security. This bill further mandates that the State's Energy Resources Coordinator (ERC) "take necessary measures to complete the decommissioning" of the wind energy facility if the owner of the facility fails to do so.

Our comments are as follows:

- By requiring the State to decommission the wind energy facility in the event that the owner of the facility fails to do so, an unintended financial responsibility (in the event that the financial security may be insufficient) could be placed on the State, potentially creating a significant, unfunded State liability.
- DBEDT is not an infrastructure asset management agency, and lacks the necessary financial resources and expertise to carry out the decommissioning of abandoned wind energy facilities.
- This bill may apply to all wind energy facilities, not just those that opted-in to receive assistance from the ERC under Hawaii Revised Statutes 201N. By mandating the decommissioning of wind energy facilities, there may be a constitutional takings issue which warrants additional research and consideration.

Thank you for the opportunity to offer these comments on HB 1149, HD2.