



## DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of  
**Richard C. Lim**  
Director

Department of Business, Economic Development, and Tourism  
before the  
**Senate Committee On Ways and Means**

Monday, March 25, 2013  
9:20 a.m.  
State Capitol, Conference Room 211

in consideration of

### **HB 1149, HD3, SD1, RELATING TO WIND ENERGY FACILITIES.**

Chair Ige, Vice Chair Kidani, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) supports HB 1149, HD3, SD1, which requires the owner of a wind energy facility participating in the Hawaii Revised Statutes (HRS) chapter 201N siting process to be responsible for decommissioning of the facility and to provide evidence of financial security. This bill further mandates that the financial security will be made available to the owner of the land in the event that the wind facility owner does not complete the decommissioning per the bill's requirements.

We support this bill as it addresses concerns about future wind abandonment within DBEDT's jurisdiction and it appropriately places the wind facility decommissioning duty on the facility and land owners.

Thank you for the opportunity to offer these comments.

TESTIMONY OF HERMINA MORITA  
CHAIR, PUBLIC UTILITIES COMMISSION  
DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE  
SENATE COMMITTEE ON WAYS & MEANS

MARCH 25, 2013  
9:20 a.m.

**MEASURE:** H.B. No. 1149, H.D. 3, S.D. 1  
**TITLE:** Relating to Wind Energy Facilities

Chair Ige and Members of the Committee:

**DESCRIPTION:**

This measure would establish requirements for the decommissioning of wind energy facilities built in the State. Under H.B. No. 1149, H.D. 3, S.D. 1, the owner(s) of a wind energy facility would be responsible for the decommissioning of unused facilities and for associated expenses. Failing action by the facility owner(s), the owner(s) of the land on which wind energy facilities are located would be responsible for decommissioning. A wind energy facility existing prior to this measure's enactment that are either 1) built under an existing contract that provides for the facility's decommissioning at the point of abandonment or the end of the facility's useful life, or 2) the facility was erected on land owned by the facility owner(s) in fee simple. This measure also sets out specific requirements and penalties for providing evidence of financial security to cover the anticipated costs of facility decommissioning.

**POSITION:**

The Commission would like to offer the following comments for the Committee's consideration.

**COMMENTS:**

While the Commission supports the intent of this measure to ensure the health and safety of the public, as well as those policies that seek to preserve Hawaii's natural environment, the Commission believes this bill is unnecessary. As facility

decommissioning requirements are typically covered in land leases, power purchase contracts, or as conditions of a permit, the Commission is concerned that this measure may have unintended consequences resulting in additional costs that will increase power purchase contract pricing, increases that are eventually paid by the electricity ratepayer.

The Commission is not aware of credible evidence that decommissioning requirements are not being addressed in Hawaii, and it is not clear, therefore, a statutory remedy is needed. The Kamaoa Wind Farm on the South Point of Hawaii Island was finally dismantled over a year ago by the developer. However, that project was built at a time when decommissioning requirements were not a top-of-mind issue as they are today for developers, landowners, and the community, and were not, therefore, an important part of contract negotiations.

Thank you for the opportunity to provide written comments on this measure.



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**Subject:** \*Submitted testimony for HB1149 on Mar 25, 2013 09:20AM\*  
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HB1149

Submitted on: 3/24/2013

Testimony for WAM on Mar 25, 2013 09:20AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
joy cash	Individual	Support	No

**Comments:**

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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