



TESTIMONY OF JANIS KOH

BEFORE THE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION STATE OF HAWAII, HOUSE OF REPRESENTATIVES

March 28, 2013

9:00 am

Room325

House Resolution 173 House Concurrent Resolution 239

The Honorable Chairman, Chris Lee, and members of the House Energy and Environmental Protection Committee, thank you very much for inviting me to testify before you in support of H.R. 173 and H.C.R. 239. I commend you and applaud your good work to promote renewable energy in Hawaii and protecting our fragile environment.

My name is Janis Koh, Vice President of HGE Korea Industrial Co., Ltd. and its subsidiary, HGE Hawaii, LLC. I was previously a resident of Oahu, and after spending over 4 years in Seoul have now returned to open HGE's office in Hawaii to engage in business.

HGE is a manufacturing and technology company that is deploying a waste-to-energy gasification system in Asia and globally. The High Temperature Conversion of Waste (HTCW) technology, which was developed in Germany, is able to destroy nearly all types of waste – such as tires, oil sludge, plastics, medical waste, asbestos – except nuclear materials through high and intense heat. Unlike incinerators, it does not produce harmful and toxic emissions, and does not rely on landfills; in fact, it can remediate and restore landfills, thus protecting the environment and the people of Hawaii.

This “green technology” received the highest environmental certification in the United Kingdom. The HTCW has an operational unit in Germany, and projects nearing completion in Poland and the United Kingdom. HGE has executed a Memorandum of Understanding with several cities in the Philippines, Vietnam, China, Kyrgyzstan, Saipan and other countries.

The primary objective of HGE Hawaii is to deploy the HTCW technology in the State to destroy industrial and medical waste. We intend to first begin with a project to process non-municipal solid waste (MSW) in Kona, and then subsequently in Honolulu.

These deployments are timely and sorely needed because the State of Hawaii imports 94% of its energy use from outside the islands. In particular, this is directly attributed to Hawaii having:

- The highest electricity rates in the country at 31.6 cents per kilowatt hour (kWh), which is wholly dependent on and derived mostly from fossil fuel. In comparison, the U.S. average is 12.4 cents per kWh.
- The highest gas price at \$4.28 per gallon and the 4th highest gas tax in the nation at 47.1 cents per gallon.
- A lack of new landfills, which is almost at capacity to absorb the increased waste produced by nearly 1.4 million residents and about 8.5 million tourists visiting the State annually. This is expected to exponentially increase as our tourism industry heats up in the future.
- A favorable regulatory climate to assist businesses in deploying their technologies and welcoming investors through tax incentives and policies.

In short, the combination of all these factors – high gas prices and electricity, no landfills, rise in the renewable energy market – makes it very attractive for HGE to invest and build its waste-to-energy system in the State. But, it subjects Hawaii to volatile price fluctuations and international geo-political forces.

Certainly, the deployment of the HTCW waste-to-energy system in the State by HGE compliments legislation and policies already endorsed and enacted by the State Legislature and the Governor, such as the Hawaii Clean Energy Initiative. HCEI intends to make Hawaii energy independent by producing 70% through clean energy by the year 2030, with 40% from renewable energy and 30% from efficiency measures.

In addition, President Barack Obama and the U.S. Congress support the immediate reduction of Greenhouse Gases (GHG), the passage of Climate Change legislation and the Kyoto Protocol, energy independence from foreign oil, and the deployment of “green technologies.”

Since the U.S., Hawaii and Korea have a vested interest in forging a closer relationship with respect to international trade, military and business, HGE Korea and other technology companies would like to facilitate this partnership by bringing in foreign direct investments and inviting tourists to the Aloha State. Accordingly, HGE is fully committed to investing in the State of Hawaii to create high-paying jobs, improve the economy, and expand manufacturing through its waste-to-energy initiatives.

We believe this is timely, especially in light of the State of Hawaii’s and America’s hosting of the Asia-Pacific Economic Cooperation (APEC) in 2011, the passage of the U.S.-Korea Free Trade

Agreement in 2012, and promulgating the Visa Waiver Program for South Korea in 2008. Indeed, these agreements have captured the interests of Koreans in looking at the State to live, start businesses, and spend their money.

Lastly, the need for new sources of energy for our U.S. military serving in Hawaii, Guam, Japan and the Pacific theater – the so called “tip of the spear” in the President’s Asia-Pacific pivot -- make it more compelling and urgent that we quickly establish the HTCW system in the State and Asia.

In conclusion, HGE Korea and HGE Hawaii unequivocally support the passage of H.R. 173 and H.C.R. 239, respectively. We strongly believe that swift adoption of these resolutions send a strong and positive message to the South Korean Government, Korean businesses, and its people that Hawaii is an excellent place to conduct business and invest in, as well as to live, play and entertain.

We intend to work closely with the State Legislature, the Governor’s Office and its agencies, the Hawaii congressional delegation, and local businesses and residents as we construct and implement the HTCW waste-to-energy system in the Hawaiian Islands.

On behalf of HGE Korea and HGE Hawaii, Mr. Chairman and distinguished members of the Committee, I thank you very much for giving me the humble opportunity to testify in support of these resolutions. Please let me know if you need further information. I am now open and willing to answer questions from the Committee on Energy and Environmental Protection.

SUBMITTED BY: Janis Koh
 Vice President
 HGE Hawaii, LLC