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**TO THE HOUSE COMMITTEE
ON ENERGY AND ENVIRONMENTAL PROTECTION**

**THE TWENTY-SEVENTH LEGISLATURE
REGULAR SESSION OF 2013**

**THURSDAY, MARCH 28, 2013
9:00 A.M.**

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

**HOUSE CONCURRENT RESOLUTION NO. 99, PROPOSED H.D. 1 – REQUESTING
THE PUBLIC UTILITIES COMMISSION TO HAVE THE PUBLIC BENEFITS FEE
ADMINISTRATOR CONSIDER INVESTING IN MARKETING AND OFFERING
REBATES TO ENCOURAGE PROPER MAINTENANCE OF SOLAR WATER
HEATING SYSTEMS**

DESCRIPTION:

This concurrent resolution requests that the Public Utilities Commission (“PUC”) have the Public Benefits Fee Administrator consider investing in marketing and offering rebates to encourage the proper maintenance of solar water heating systems. The proposed H.D. 1 requests that the Legislature convene a task force on energy security.

POSITION:

The Division of Consumer Advocacy (“Consumer Advocate”) supports the intent of H.C.R. No. 99, Proposed H.D. 1 and offers the following comments.

House Concurrent Resolution No. 99, Proposed H.D. 1
House Committee on Energy and Environmental Protection
Thursday, March 28, 2013, 9:00 a.m.
Page 2

COMMENTS:

As pointed out in H.C.R. No. 99, Proposed H.D. 1, a refinery task force already exists. The proposed H.D. 1 sets forth additional issues relating to the closing of the Tesoro refinery that may not be addressed by the existing refinery task force. Rather than creating a new task force, the Consumer Advocate recommends that the issues identified in the proposed H.D. 1 be assigned to the existing task force.

Thank you for this opportunity to testify.



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

NEIL ABERCROMBIE
GOVERNOR

RICHARD C. LIM
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

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Statement of
RICHARD C. LIM
Director

Department of Business, Economic Development, and Tourism
before the

HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

Thursday, March 28, 2013
9:00 a.m.

State Capitol, Conference Room 325

in consideration of
HCR 99, HD1 PROPOSED
**REQUESTING THE CONVENING OF A LEGISLATIVE TASK FORCE ON ENERGY
SECURITY.**

Chair Lee, Vice Chair Thielen, and Members of the Committee.

The Department of Business, Economic Development & Tourism (DBEDT) **supports the intent** of HCR 99, HD1 PROPOSED to convene a Legislative Task Force on Energy Security. However, DBEDT is concerned that this proposed Legislative Task Force on Energy Security may be duplicative to the Hawaii Refinery Task Force which was established by Executive Order 13-01 on February 19, 2013, to assess potential price and supply disruptions from Tesoro's announced refinery closure and to identify strategies and actions the State should consider to ensure a reliable and competitive energy market as Hawaii makes the transition to a new energy ecosystem.

The Hawaii Refinery Task Force has 30 participants with approximately one-third each from the energy industry; community leaders outside of energy; and the public sector, including a representative of the Senate President and the Speaker of the House. Hawaii Refinery Task Force members also include representatives of federal and state government, electric and gas utilities, refineries, fuel suppliers, labor, environment, finance, and other business representatives.

The Hawaii Refinery Task Force must submit short-term findings and recommendations to the Governor within 60 days of a refinery closure and must also submit an interim and final written report of its activities and recommendations to the Governor by September 30, 2013, and the final day of the 2014 legislative session, respectively.

Thank you for the opportunity to offer these comments on HCR 99, HD1 PROPOSED.

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

MARCH 21, 2013
8:30 a.m.

MEASURE: H.C.R No. 99/H.R. No. 76

TITLE: Requesting the Public Utilities Commission to Have the Public Benefits Fee Administrator Consider Investing in Marketing and Offering Rebates to Encourage Proper Maintenance of Solar Water Heating Systems

Chair Lee and Members of the Committee:

DESCRIPTION:

H.C.R. No. 99 and H.R. No. 76 (collectively "Resolutions") request the Public Utilities Commission ("Commission") 1) to require the Public Benefits Fee Administrator, also known as Hawaii Energy, to consider investing in marketing and the offering of rebates to encourage proper solar water heating ("SWH") system maintenance, and 2) to submit a report to the Legislature prior to the start of the 2014 legislative session on its findings, recommendations, and any proposed legislation.

POSITION:

The Commission supports the intent of these Resolutions, but believes they are unnecessary given the ongoing efforts of Hawaii Energy in addressing the issues associated with SWH maintenance. The following comments are offered for the Committee's consideration.

COMMENTS:

These proposed Resolutions are not necessary given the Public Benefits Fee Administrator's ongoing evaluation and analysis of its Solar Water Heater Tune-Up Pilot Program ("Pilot Program"). Hawaii Energy conducted its Pilot Program during 2011, servicing 320 participating homeowners. Results from that Pilot Program are

currently being reviewed to justify the Program and its costs, and to make the necessary improvements to a Solar Water Heater Tune-Up Program (“SWH Tune-Up Program”) that is scheduled to commence in July of this year.

To put the potential impact of Hawaii Energy’s SWH Tune-Up Program in context, a study conducted over ten years ago found that 5% of a group of randomly checked SWH systems in Hawaii were inoperable and 9% were found to not be functioning optimally. Extrapolating these numbers would equate to over 9,000 underperforming systems today. Most SWH problems stem from timer and controller problems that cause the solar system to use electric resistance elements to heat water when it could be heated by free solar energy. The potential savings from follow-up maintenance is 9 million kilowatt-hours per year or \$2.9 million in additional energy costs – costs being paid by consumers that can be easily avoided.

As a report back to the 2014 Legislature would only reflect a portion of Hawaii Energy’s Program Year 2013,¹ the Commission recommends that interested legislators refer instead to Hawaii Energy’s annual report for Program Year 2012 for the most currently available information on the planning and status of the SWH Tune-Up Program, which should be available in the latter part of 2013.

Thank you for the opportunity to testify on this measure.

¹ Hawaii Energy’s Program Year 2013 runs from July 1, 2013 to June 30, 2014.



Sierra Club Hawai'i Chapter

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808.538.6616 hawaii.chapter@sierraclub.org

HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

March 21, 2013, 8:30 A.M.
(*Testimony is 1 page long*)

TESTIMONY IN SUPPORT OF HCR 99, HR 76

Aloha Chair Tsuji and Members of the Committee:

The Sierra Club of Hawai'i, with over 10,000 members and supporters, **supports** HCR 44, HR 26. This measure asks the Public Utilities Commission to request the Public Benefits Fund Administrator to look at incentivizing the maintenance of solar water heaters.

A solar water system is the most basic renewable energy device to harness the clean energy from the sun. The technology is mature, tested, and works. And yet a solar water system may require maintenance over time, a fact that many consumers may not know. In order to ensure residents are benefiting from a properly maintained solar water system, it may be necessary to look at ways to encourage and incentivize regular maintenance. Even simple marketing of the need for maintenance may be enough to ensure consumers are benefiting from their investment.

Mahalo for the opportunity to testify.

The Twenty-Seventh Legislature
Regular Session of 2013

HOUSE OF REPRESENTATIVES
Committee on Energy & Environmental Protection
Rep. Chris Lee, Chair
Rep. Cynthia Thielen, Vice Chair
Hawaii State Capitol, Room 325
Thursday, March 28, 2013; 9:00 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON HCR 99, PROPOSED HD1
Requesting the Convening of a Legislative Task Force on Energy Security**

The ILWU supports HCR 99, proposed HD1, requesting the convening of a legislative task force on energy security.

The impending closure of the Tesoro refinery in Kapolei will have a dramatic impact on the price of refined petroleum products in Hawaii. Prices are already high, but there is a threshold over which the consumer will be unwilling to go. In a state with limited mass transit capability, particularly on the neighbor islands, the cost of petroleum is a major concern.

The cost of jet fuel is another concern that will impact anyone who travels between the islands. Business travelers and those visiting friends and family on other islands may find the cost of airfare prohibitive because of the high cost of fuel.

Although Tesoro itself has indicated that their profits are lagging, we understand that a refinery can be profitable in a small market like Hawaii. Given the importance of fuel to everyone in Hawaii, we believe the State should try all means possible to save a viable business and keep more than 200 people employed in good-paying jobs. Rather than trying to find ways to pick up the pieces after layoff occurs, the State should be focused on averting the plant closure by bringing stakeholders together, forging partnerships that could lead to continuing the refinery, and developing incentives to encourage potential buyers.

We also support the inclusion of a representative of the United Steelworkers Union Local 12-591 on the task force. USW represents Tesoro's unionized workers and should be involved in the discussion about the refinery's future. They have assisted in averting plant closures in other areas and may be able to do the same here.

The ILWU urges adoption of HCR 99, proposed HD1. Thank you for the opportunity to share our views on this matter.

thielen3 - Charles

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 20, 2013 9:03 AM
To: EEPtestimony
Cc: tabraham08@gmail.com
Subject: Submitted testimony for HCR99 on Mar 21, 2013 08:30AM

HCR99

Submitted on: 3/20/2013

Testimony for EEP on Mar 21, 2013 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Troy Abraham	Individual	Support	No

Comments: i support passage of this bill to promote clean energy usage in hawaii

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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