



**HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION**

February 2, 2016, 8:30 A.M.

Room 325

**(Testimony is 1 page long)**

**TESTIMONY IN SUPPORT OF HB 2231**

Aloha Chair Lee, Vice Chair Lowen, and Committee members:

Blue Planet Foundation supports HB 2231. We support making all appropriate financing mechanisms available for Hawaii's energy sector, irrespective of the ownership model adopted by a particular company in that sector. To that end, HB 2231 ensures that utilities employing a cooperative ownership model will stand on equal footing with other utilities with respect to obtaining special purpose revenue bonds.

Thank you for the opportunity to testify.



**Hawaii Solar Energy Association**  
*Serving Hawaii Since 1977*

**TESTIMONY OF THE HAWAII SOLAR ENERGY ASSOCIATION  
IN REGARD TO HB 2231, RELATING TO ENERGY COOPERATIVES  
BEFORE THE  
HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION  
ON  
TUESDAY, FEBRUARY 2, 2016**

Chair Lee, Vice-Chair Lowen and members of the committee, my names is \_\_\_\_\_ and I represent the Hawaii Solar Energy Association, Inc. (HSEA)

HSEA supports HB 2231. This measure includes verbiage that clarifies part VI of chapter 39A, Hawaii Revised Statutes, to include publicly owned energy cooperatives when issuing special purpose revenue bonds.

Thank you for the opportunity to testify.

EEPtestimony

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From: mailinglist@capitol.hawaii.gov  
Sent: Monday, February 01, 2016 12:13 PM  
To: EEPtestimony  
Cc: mendezj@hawaii.edu  
Subject: \*Submitted testimony for HB2231 on Feb 2, 2016 08:30AM\*

**HB2231**

Submitted on: 2/1/2016

Testimony for EEP on Feb 2, 2016 08:30AM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Javier Mendez-Alvarez	Individual	Support	No

Comments:

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**LATE**

**HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION**

February 2, 2016  
*(Testimony is 1 page long)*

**TESTIMONY IN SUPPORT OF HB 2231**

Chair Lee and Members of the Committee:

The Alliance for Solar Choice (TASC) appreciates the opportunity to comment on HB 2231, relating to energy cooperatives. TASC respectfully supports this measure.

TASC advocates for maintaining successful distributed solar energy policies and markets throughout the United States. Collectively, TASC members serve a majority of the solar customers in Hawaii.

As a founding member of KULOLO, Keep Our Utilities Locally Owned, Locally Operated, TASC supports a robust discussion about the future of Hawaii's electrical power generation and distribution. Hawaii is going through a period of tremendous change. Hawaii should consider public ownership over the electric utility as a means to take advantage of lower cost renewables and to ensure customer choice. At the very least, the public interest dictates that all options should be on the table.

This measure gives decision makers more flexibility in deciding how to meet Hawaii's electricity needs going forward. TASC respectfully urges this Committee to move this bill forward.

Mahalo for considering our comments.



**House Committee on Energy & Environmental Protection**

February 2<sup>nd</sup>, 2016 8:30am

**Testimony in support of HB 2231 by Anthony Aalto**



Aloha Chair Lee, Vice Chair Lowen and Members of the Committee,

I thank you for this opportunity to testify. My name is Anthony Aalto. I am the Chair of the Sierra Club of O'ahu which has more than 8,000 registered members and supporters on this island. I am testifying today on their behalf, in strong support of HB 2136.

As you know Hawaii is leading the nation in the shift to a non-carbon, clean, renewable energy future. We have the highest per capita penetration of rooftop solar in the country. We are at the cutting edge of wave energy, wind energy, hydrogen fuel cells, Ocean Thermal Energy Conversion, seawater air conditioning, algae biofuels, geothermal, residential battery storage, smart grid, micro-grid and distributed energy technologies.

These technologies hold out the hope of vast savings for the people of Hawaii, by ending the practice of sending billions of dollars overseas every year to pay for the importation of oil, coal and gas. These technologies also hold out the hope of creating a new pillar in Hawaii's economy – one which will create thousands of well paid blue and white collar jobs.

This bill simply makes it possible to keep all options on the table as we explore these potential technologies and innovations.

One of the concerns about the energy revolution we are leading is that while the economic and environmental benefits to the people of Hawaii are obvious, it is less clear that the stockholders of our statewide utility will be rewarded by the intrusion of these cutting edge technologies into the old vertically integrated, centralized, utility monopoly model.

It is clear that integration of some of these concepts will lead to lower electricity sales – not a welcome idea for a for-profit corporation whose profits are linked to the sale of electricity.

In order to ensure that corporate interests do not block our progress to achieving the state's energy goals, it may become necessary to allow not-for-profit cooperative or municipal ownership of the utility on each island.

Each island needs to have the flexibility to explore such cooperative and municipal ownership of the utility. Private stockholders who have been granted free use of the public franchise to operate the utility must not be allowed to block efforts to deliver more efficient, cheaper, cleaner energy.

Already a group of businessmen on Hawaii Island is exploring a co-operative model of ownership. Already the County Council on Maui has received a report that looks favorably at the idea of partial break-up and possible condemnation of parts of the MECO division of the utility. Already the Honolulu County Council has authorized an analysis and report on the idea of municipal or cooperative ownership of the utility.

This bill does not mandate any course of action. It merely clarifies that if the counties wish to condemn the public utility on their island, they may do so.

I urge you to pass the bill.

Mahalo and aloha



637 Ulumaika Street  
Honolulu, Hawaii 96816

February 2, 2016

Representative Chris Lee, Chair  
Committee on Energy and Environmental Protection  
Hawaii House of Representatives  
Hawaii State Capitol  
Honolulu, Hawaii 96813

Dear Chair Lee and committee members,

Mahalo for this opportunity to testify in support of House Bill 2231, relating to energy cooperatives. HB 2231 clarifies that special purpose revenue bonds (SPRBs) may be issued to finance publicly owned energy cooperatives, extending a source of financing with extremely low interest rates to them.

As part of the lively public discussion on our energy future arising from Florida-based NextEra's proposal to take over Hawaiian Electric, many support new ownership models that would deliver lower rates to consumers, enhanced local control, transparency, and an authentic commitment to reaching our 100 percent renewable energy goals. Among the advantages of the cooperative model are democratic elections for board members and reduced rates by eliminating profit and multimillion dollar executive compensation. These benefits have caused unprecedented interest in cooperative ownership in our electric industry. Indeed, the Hawaii Island Energy Cooperative was recently formed to take over Hawaiian Electric Light Co. in Hawaii County.

HB 2231 would enable energy cooperatives to obtain financing through SPRBs. The low interest rates offered by SPRBs make them an attractive source of financing, which in a cooperative would yield direct benefits to consumers by lowering rates. This measure would simply ensure parity between cooperatives and investor owned utilities like Hawaiian Electric. Indeed, HEI received \$80 million in SPRBs in last year's legislative session alone. Cooperatives should receive an equal playing field.

Thank you again for the opportunity to testify in favor of this important measure.

Very truly yours,

Stanley Chang