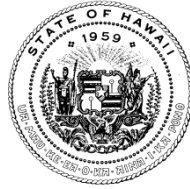


DAVID Y. IGE  
GOVERNOR



**Testimony by:**  
FORD N. FUCHIGAMI  
DIRECTOR

Deputy Directors  
JADE T. BUTAY  
ROSS M. HIGASHI  
EDWIN H. SNIFFEN  
DARRELL T. YOUNG

IN REPLY REFER TO:

**STATE OF HAWAII**  
**DEPARTMENT OF TRANSPORTATION**  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

February 25, 2016  
1:00 p.m.  
State Capitol, Room 211

**S.B. 2820, S.D. 1**  
**RELATING TO RENEWABLE ENERGY**

Senate Committee on Ways and Means

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The Department of Transportation (DOT) **strongly supports** the passage of this Administration bill which meets the objectives of Hawaii's renewable energy goals by amending the definition of renewable portfolio standard to more accurately reflect the percentage of renewable energy penetration in the State.

We need policies that promote renewable energy, improve environmental sustainability, and reduce our dependence on foreign oil.

Thank you for the opportunity to testify on this bill.

TESTIMONY OF RANDY IWASE  
CHAIR, PUBLIC UTILITIES COMMISSION  
STATE OF HAWAII  
TO THE  
SENATE COMMITTEE ON  
WAYS AND MEANS

February 25, 2016  
1:00 PM

**MEASURE:** S.B. No. 2820, S.D. 1  
**TITLE:** RELATING TO RENEWABLE ENERGY

Chair Tokuda Members of the Committee:

**DESCRIPTION:**

This measure amends the current definition of “Renewable portfolio standard” to mean “the percentage of total renewable electrical energy generated from grid-connected renewable energy systems to the total electrical energy generated from grid-connected energy systems[.]”

**POSITION:**

The Commission offers the following comments for the Committee’s consideration.

**COMMENTS:**

The Commission notes that the language in the S.D. 1 before this Committee reflects the efforts of collaboration between the Commission, DBEDT, and other stakeholders. This S.D. 1 addresses the potential issues the Commission had noted previously. The Commission continues to collaborate with DBEDT and other stakeholders on ways to refine this measure as appropriate.

Thank you for the opportunity to testify on this measure.



Email: [communications@ulupono.com](mailto:communications@ulupono.com)

SENATE COMMITTEE ON WAYS & MEANS  
Thursday, February 25, 2016 — 1:00 p.m. — Room 211

**Ulupono Initiative Strongly Supports SB 2820 SD 1, Relating to Renewable Energy**

Dear Chair Tokuda, Vice Chair Dela Cruz, and Members of the Committee:

My name is Murray Clay and I am Managing Partner of the Ulupono Initiative, a Hawai'i-based impact investment firm that strives to improve the quality of life for the people of Hawai'i by working toward solutions that create more locally produced food; increase affordable, clean, renewable energy; and reduce waste. We believe that self-sufficiency is essential to our future prosperity and will help shape a future where economic progress and mission-focused impact can work hand in hand.

**Ulupono strongly supports SB 2820 SD 1**, which amends the calculation for the renewable portfolio standard definition, because it aligns with our goal of increasing the production of clean, renewable energy in Hawai'i.

Last legislative session, the Legislature's intent and the public's perception of the 100% renewable portfolio bill was for all electricity generation to be created via renewable sources. By fixing the calculation to a formula that truly reflects the original bill's intent, the passage of this bill will ensure transparency and accountability while restoring confidence in the legislative process.

As Hawai'i's energy issues become more complex and challenging, we appreciate this committee's efforts to look at policies that support renewable energy production. Thank you for this opportunity to testify.

Respectfully,

Murray Clay  
Managing Partner

*Investing in a Sustainable Hawai'i*



**HAWAI'I LODGING & TOURISM**  
**A S S O C I A T I O N**

Testimony of

Mufi Hannemann  
President & CEO  
Hawai'i Lodging & Tourism Association

Committee on:  
Ways and Means  
February 25, 2016

Senate Bill 2820 SD1: Relating to Renewable Energy

Chair Tokuda, Vice Chair Dela Cruz, and members of the committee on Ways and Means:

Thank you for the opportunity to testify. On behalf of the Hawai'i Lodging & Tourism Association, we would like to offer these comments on Senate Bill 2820 SD1. This measure offers to clarify the renewable portfolio standard law. Requires all electric grid connected energy systems to be 100 per cent renewable energy by 12/31/45. Amends the "renewable portfolio standard" definition to more accurately reflect the amount of renewable energy generation in Hawaii by amending the renewable portfolio standard calculation to be based on electrical energy generation as opposed to electrical energy sales and to properly account for customer-sided, grid-connected resources.

The Association strongly supports the idea of moving towards a more sustainable future; however we see the potential for unintended consequences with the language provided in SB2820 SD1. Through the proposed amendments in the bill's SD1, we see a very strict regulation of the private industry to comply with the current renewable standard portfolio timeline, one that will have a negative impact on many large facilities such as hospitals, schools, and hotels who are currently using, or are in the process of installing, methods of generation such as combined heat and power (CHP) units.

CHP units are supported by the federal government for their efficiency and for the role they play in reducing emissions and lowering costs. We feel that this amended bill will not only affect private consumer choice, but due to the lack and high cost of renewable gas will also hurt the entities who are currently using or plan to use cogeneration as a means to improve efficiency, increase reliability, and lower costs.

We humbly ask that you please look at addressing the matter without issuing this mandated regulation on the private sector.

Thank you for this opportunity to testify.

**Testimony before the  
Senate Committee on Ways and Means**

**February 25, 2016, 1:00 pm  
Conference Room 211**

**S.B. No. 2820, S.D. 1 – Relating to Renewable Energy**

**By Scott Seu  
Vice President, System Operation  
Hawaiian Electric Company, Inc.**

*Chair Tokuda, Vice-Chair Dela Cruz and Members of the Committee:*

My name is Scott Seu. I am Vice President for System Operation at Hawaiian Electric Company. I am testifying on behalf of Hawaiian Electric and its subsidiary utilities, Maui Electric and Hawaii Electric Light (collectively “Companies”).

Last year, the Hawaiian Electric Companies supported the passing of the new 100% RPS law, and we remain fully committed to moving our generation resources, and the resources of those with whom we contract for electricity generation, to be completely off of fossil fuels by 2045. While we appreciate the intent of this measure to revise the mathematics of the renewable portfolio standard (“RPS”) to more accurately reflect progress towards the state’s goal of moving off of fossil fuels for all electricity generation, we continue to have some concerns on this bill.

As we testified on earlier drafts, the RPS needs to fully consider the implications of when customers generate their own electricity with fossil fuels. Large customers are being presented with proposals to self-generate their electricity using fossil fuels, which takes us away from achieving the 100% renewable energy goal, but neither the utility nor the PUC have any authority over this. The provision that all grid-connected generation be renewable by 2045 helps, however the intermediate RPS compliance years of 2020, 2030, and 2040 also need to be considered.

Under the RPS law it is the utility that is held accountable for achieving the RPS. The more that customers decide to use fossil fuels for power generation, our ability to fully meet our RPS compliance obligations becomes increasingly beyond our control, and that is neither fair nor rational.

Our other concern is that the bill does not make corresponding adjustments to the utility’s RPS targets that account for the change in methodology. Using the existing methodology we were at approximately 21% RPS at the end of 2014, and it was on this basis that the legislature increased our 2020 RPS requirement from 25% to 30% with our support. If the new methodology is adopted, the calculation results in lower

numbers, thus we believe it is only fair to at least re-evaluate the near term 2020 RPS target or make the new methodology apply to the RPS post-2020, as has been suggested by others. To be clear, we are fully committed to the state's goal of moving off of fossil fuels for all electricity generation by 2045.

We have been working with DBEDT on amendments that will address many of our concerns, and that work continues to progress. Fixing the math of the current RPS makes sense, but it must also be updated to align all energy generators with public policy.

Thank you for this opportunity to testify.