



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

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Statement of  
**LUIS P. SALAVERIA**  
**Director**  
Department of Business, Economic Development, and Tourism  
before the  
**SENATE COMMITTEES ON ECONOMIC DEVELOPMENT, ENVIRONMENT, AND  
TECHNOLOGY**  
**AND**  
**TRANSPORTATION AND ENERGY**

Monday, March 28, 2016  
1:15 p.m.  
State Capitol, Conference Room 414

in consideration of  
**SCR 144/ SR 106**

**REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT,  
AND TOURISM AND THE HAWAII STATE ENERGY OFFICE TO CONDUCT A  
STUDY TO ESTABLISH INCREMENTAL GOALS TO ACHIEVE ONE HUNDRED  
PERCENT RENEWABLE ENERGY FUELED GROUND TRANSPORTATION BY 2045.**

Chairs Wakai and Inouye, Vice Chairs Slom and Gabbard, and Members of the  
Committees.

The Department of Business, Economic Development & Tourism (DBEDT) respectfully  
offers comments on SCR144/SR106, which requests DBEDT to conduct a study to establish  
incremental goals to achieve one hundred percent renewable energy fueled ground transportation  
by 2045.

DBEDT supports the intent of this resolution to study decarbonizing the transportation  
sector. The planning and analysis DBEDT is currently conducting on Hawaii's energy eco-  
system incorporates this objective. DBEDT has comments regarding the focus of the study and  
recommends targeted planning to reduce dependence on all imported fuels, to ensure Hawaii  
remains focused on the critical objective of energy independence.

Consistent with Act 38, 2015, DBEDT convened transportation stakeholders in a series of meetings culminating in the HCEI Transportation Energy Analysis (HTEA) report. The report identified nearly 100 potential tactics that could contribute to reducing petroleum consumption in the transportation sector, thoroughly analyzed 38 tactics, and recommended 22 tactics that could potentially provide 72 million gallons a year reduction in fossil fuel consumption by 2030. The evaluated tactics were presented and refined in a series of webinars and in-person meetings, with participation from over 100 stakeholders from Hawaii, including a number of nationally prominent subject matter experts. Recommended tactics were selected from further evaluation of openly transparent criteria such as petroleum reduction potential, costs, social acceptability, and likelihood of implementation. While more options remain to be explored, the recommended tactics represent a fairly comprehensive cross section of proven, feasible solutions by which petroleum consumption could be reduced. With the conclusion of the HTEA, DBEDT intends to engage energy in transportation stakeholders to identify tactics for action and will assist in coordinating the formation of an action plan or road map. Given the complexity of the actions to reduce petroleum consumption in the transportation section, DBEDT understands a new partnership with relevant government agencies and transportation and energy stakeholders is necessary to realistically take action on a number of identified tactics. Until commitments are made by prospective partners towards making progress on selected tactics and work plans set a schedule of specific actions, it is unclear how much of the estimated 72 million gallons per year in petroleum reductions can be anticipated and by what time frame.

Therefore, DBEDT recommends amendments to align the proposed resolution with the State's robust and active agenda to reduce petroleum consumption in transportation. While DBEDT appreciates setting an aspirational ultimate objective for petroleum reduction, we are most concerned about aggressively pursuing tactics and action plans to reduce as much petroleum based fuels for ground transportation through 2030 as technically and economically feasible. We believe developing intricate plans on tactics to be implemented 30 years from now to have little or no efficacy.

DBEDT will continue to develop comprehensive analysis of Hawaii's energy eco-system consistent with the objectives of ACT 38, 2015, and suggests the following amendments such that the language is consistent with our current strategy. DBEDT requests the resolution to be amended to focus on researching the feasibility of fossil fuel elimination for ground transport by 2045 and recommendations if research and analysis determines the 2045 is not feasible- including proposing an alternative year fossil fuels for ground transport could be eliminated.

DBEDT also recommends the submittal date to the legislature be extended to the Legislature no later than twenty days prior to the convening of the Regular Session of 2018

legislative session, allowing time for procurement, data capture, and analysis. This will provide the appropriate time so that sound planning can be done.

Thank you for the opportunity to provide these comments regarding SCR144/SR106.



**SENATE COMMITTEES ON ECONOMIC DEVELOPMENT, ENVIRONMENT &  
TECHNOLOGY AND TRANSPORTATION AND ENERGY**

March 28, 2016, 1:15 P.M.

Room 414

(Testimony is 6 pages long)

**TESTIMONY IN SUPPORT OF SCR 144 AND SR 106 AND PROPOSED LANGUAGE  
CHANGES**

Aloha Chairs Wakai and Inouye, Vice Chairs Slom and Gabbard and members of the Committees:

Blue Planet Foundation supports SCR 144 and SR 106 which requests the department of business, economic development and tourism to conduct a study to establish incremental goals to achieve one hundred percent renewable energy fueled ground transportation by 2045.

Blue Planet Foundation has also worked with the department of business, economic development and tourism on a few language changes that made it easier for them to support the resolutions. A brief summary of the changes is found on page 3 and the proposed language changes are on pages 4-6 of this testimony.

With the passing of the 100% renewable portfolio standard last year, the state has shown its considerable commitment to moving Hawaii beyond fossil fuels. The reduction and elimination of imported fossil fuels will lead Hawaii to a stronger, more resilient economy and will ensure that Hawaii is doing its part to minimize the negative impacts of greenhouse gas induced climate change.

While we are making considerable progress in the electricity sector, it is time to give ground transportation the attention it deserves. Ground transportation uses roughly the same amount of petroleum within the state as the electricity sector, roughly 28% of the total imported annually.

Setting targets to eliminate imported fuels from the transportation sector would serve as a guide to the land use and transportation policies of state and county agencies and

would send a powerful message to vehicle fleet owners, car dealers, and the general public that we are moving away from petroleum-based ground transportation. This would lead to more rapid adoption of clean transportation technologies such as electric vehicles, fuel cell vehicles powered by hydrogen, and locally sourced biodiesel and biofuels.

Thank you for this opportunity to testify.

### Summary of Proposed Language Changes:

1. Adds a request for DBEDT to consult with the department of transportation while doing the study.
2. Adds the language “examine the feasibility of eliminating imported fuels from the ground transportation” to the request to do the study.
3. Adds a clause that if DBEDT finds it is not feasible to eliminate imported fuels for ground transportation by 2045, they should propose an alternative target year.
4. Gives DBEDT one additional year to conduct the study, pushing the date for reporting back to the Legislature to 2018.

Proposed additions are in blue bold font and underlined. Proposed deletions are shown in red strikethrough font.

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## SENATE CONCURRENT RESOLUTION

REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM AND THE HAWAII STATE ENERGY OFFICE TO CONDUCT A STUDY TO ESTABLISH INCREMENTAL GOALS TO ACHIEVE ONE HUNDRED PERCENT RENEWABLE ENERGY FUELED GROUND TRANSPORTATION BY 2045.

WHEREAS, greenhouse gas (GHG) emissions from human activities are the most significant driver of observed climate change since the mid-twentieth century; and

WHEREAS, global oil consumption related to ground transportation is a large contributor to increased levels of carbon dioxide emissions in the atmosphere; and

WHEREAS, ground transportation consumes roughly twenty-three percent of all energy consumption in Hawaii; and

WHEREAS, in 2013, it was reported that 1,300,000 vehicles were registered in Hawaii, while the number of licensed drivers totaled 904,500, highlighting that some residents own more than one vehicle; and

WHEREAS, petroleum-fueled vehicles do not contain costs for consumers as crude oil prices fluctuate according to global supply, global demand, oil inventory demand, and market speculation; and

WHEREAS, Hawaii's dependency on imported oil, coupled by the increasing number of vehicle owners, could have adverse effects to the local environment and Hawaii's largest industries, including tourism, agriculture, and ~~recreational~~ recreational and commercial fishing; and

WHEREAS, oil is imported to Hawaii internationally and drains the State's economy of billions of dollars each year; and

WHEREAS, a stronger local economy depends on a transition away from ground transportation powered by imported oil and toward ground transportation powered by local renewable energy resources, which keeps millions of dollars in the State, creates local jobs, and provides energy security and self-sufficiency; and

WHEREAS, scalability of renewable energy will ultimately decrease and contain costs so consumers are not negatively affected by volatile

prices; and

WHEREAS, the United States and one hundred ninety-five countries entered into the Paris Agreement which, within the United Nations Framework Convention on Climate Change, seeks:

(1) A long-term goal to keep the increase in global average temperature to well below two degrees Celsius above pre-industrial levels;

(2) To limit the increase to 1.5 degrees Celsius, in order to significantly reduce the risks and impacts of climate change;

(3) To reach global peaking of GHG emissions as soon as possible, recognizing that this will take longer for developing countries; and

(4) To undertake rapid reductions in GHG emissions thereafter in accordance with the best available science; and

WHEREAS, Hawaii has shown its commitment to decreasing GHG emissions and increasing renewable energy by adopting the Clean Energy Initiative, becoming the first state to set a goal of increasing its renewable portfolio standards to one hundred percent by 2045; and

WHEREAS, Hawaii provides an ideal test bed to accelerate the use of renewable energy to fuel ground transportation, which reduces oil usage and GHG emissions; and

WHEREAS, achieving one hundred percent renewable energy fueled ground transportation requires a phased approach to ensure the State can achieve set benchmarks; and

WHEREAS, the State should provide incentives and investments for ground transportation projects fueled by renewable energy; now, therefore,

BE IT RESOLVED by the Senate of the Twenty-eighth Legislature of the State of Hawaii, Regular Session of 2016, (the House of Representatives concurring,) that the Department of Business, Economic Development, and Tourism and the Hawaii State Energy Office, in consultation with the Department of Transportation, are requested to conduct a study ~~to establish incremental goals to achieve one hundred percent renewable energy fueled ground transportation by 2045~~ examining the feasibility of eliminating imported fuels for use in ground transportation by 2045 and establish incremental targets to gauge progress against; and

BE IT FURTHER RESOLVED that the study include possible grants, programs, policy plans, tax credits, and tax exemptions for research and enterprises related to commercializing renewable energy fueled ground transportation projects; and



BE IT FURTHER RESOLVED in reporting findings and recommendations to the Legislature, if the Department of Business, Economic Development, and Tourism and the Hawaii State Energy Office research and analysis determine the 2045 timeline is not feasible to eliminate the consumption of imported fuels for ground transportation, the Department shall propose an alternative target year; and

BE IT FURTHER RESOLVED that the Department of Business, Economic Development, and Tourism is requested to report its findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of ~~2017~~2018; and

BE IT FURTHER RESOLVED that the Governor is requested to utilize the report in future programs and budgetary planning; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the Governor; Director of Business, Economic Development, and Tourism; and Hawaii Energy Program Administrator.

**wakai1 - Lilinoe**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 28, 2016 6:32 AM  
**To:** EET Testimony  
**Cc:** dylanarm@hawaii.edu  
**Subject:** \*Submitted testimony for SR106 on Mar 28, 2016 13:15PM\*

**SR106**

Submitted on: 3/28/2016

Testimony for EET/TRE on Mar 28, 2016 13:15PM in Conference Room 414

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Dylan Armstrong	Individual	Support	No

Comments:

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