



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

DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: www.hawaii.gov/dbedt

Telephone: (808) 586-2355
Fax: (808) 586-2377

Statement of
LUIS P. SALAVERIA
Director
Department of Business, Economic Development, and Tourism
before the
**HOUSE COMMITTEE ON
ENERGY AND ENVIRONMENTAL PROTECTION**

Thursday, February 9, 2017
8:30 a.m.
State Capitol, Conference Room 325

in consideration of
HB1041
**RELATING TO REPORTING BY THE DEPARTMENT OF BUSINESS, ECONOMIC
DEVELOPMENT, AND TOURISM.**

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

The Department of Business, Economic Development, and Tourism (DBEDT) **supports** HB1041, which deletes the ongoing reporting requirement by the greenhouse gas emissions reduction task force and redirects DBEDT's responsibility to appoint a panel to evaluate the energy systems development special fund projects to the University of Hawaii (UH).

DBEDT strongly supports the reduction of greenhouse gas emissions and evaluation of the energy systems development special fund projects. However, the greenhouse gas emissions reduction task force was dissolved in 2010; therefore, reporting every five years is no longer practical and useful. The Department of Health now serves as the primary agency with regulatory oversight of Hawaii's greenhouse gas emissions and monitors greenhouse gas levels.

Also, DBEDT received funds from the Hawaii Natural Energy Institute's (HNEI) energy systems development special fund. Consequently, DBEDT would be directing

the evaluation of some of its own projects. Since, HNEI comes under the purview of the University of Hawaii, DBEDT suggests that the evaluation of the energy systems development special fund projects be directed by the UH Office of the Vice President for Research and Innovation. Please note, a two-person panel is required to begin evaluation of the energy systems development special fund projects on July 1, 2017, per section 304A-1893.1, Hawaii Revised Statutes.

Thank you for the opportunity to offer testimony in support of HB1041.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Written Testimony Submitted to the
House Committee on Energy and Environmental Protection
February 9, 2017 at 8:30 a.m.

by
Vassilis L. Syrmos, Vice President for Research and Innovation
University of Hawai'i

HB 1041 – RELATING TO REPORTING BY THE DEPARTMENT OF BUSINESS ECONOMIC DEVELOPMENT AND TOURISM

Chair Lee, Vice Chair Lowen and members of the committee:

The University of Hawai'i supports HB 1041.

Section 304A-1893.1, Hawai'i Revised Statutes, requires an evaluation of the projects and activities funded by the Energy Systems Development Special Fund every three years. The fund, maintained through an allocation of the State's barrel tax, is administered by the Hawai'i Natural Energy Institute (HNEI). The purpose of the evaluation is to assess the degree to which the projects and activities comport with and achieve the stated objectives of the Energy Systems Development Special Fund, which include: obtaining matching funds for research, development, and demonstration of renewable energy sources, awarding contracts or grants to develop technologies to reduce the state's dependence on imported energy resources, and to manage the projects supported by the fund.

HB 1041 would change the appointment of the two-person panel that conducts the evaluation from the Director of the Department of Business Economic Development and Tourism (DBEDT) to the University of Hawai'i Vice President for Research and Innovation. Since HNEI is also directed by statute to coordinate its efforts with DBEDT, with the intent of promoting effective prioritization and focusing of efforts consistent with the State's energy programs, it is appropriate that DBEDT not appoint the panel evaluating these efforts. The UH Vice President for Research and Innovation is a qualified and suitable alternative.

Thank you for the opportunity to testify.