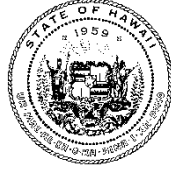


DAVID Y. IGE  
GOVERNOR



RODERICK K. BECKER  
Comptroller

AUDREY HIDANO  
Deputy Comptroller

**STATE OF HAWAII**  
**DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES**  
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN COMMENTS  
OF  
RODERICK K. BECKER, COMPTROLLER  
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
TO THE  
SENATE COMMITTEE ON  
WAYS AND MEANS  
ON  
FRIDAY, FEBRUARY 24, 2017  
9:30 A.M.  
CONFERENCE ROOM 211

S.B. 909, S.D. 1

RELATING TO ENERGY ASSURANCE.

Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee, thank you for the opportunity to provide written comments on S.B. 909, S.D. 1. The Department of Accounting and General Services supports the measure.

We support this measure as it addresses deficiencies in Hawaii's fuel shortage response and energy emergency (energy assurance) statutes. This updated policy guidance addresses preparing for, responding to, recovering from, and mitigating against any actual or potential energy supply disruption or shortage. It will also preserve the State's energy security by ensuring that fuel products and energy resources are made available to emergency services and the public in an orderly, efficient, and safe manner.

Thank you for the opportunity to submit written comments on this measure.



## 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](http://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  
**SENATE COMMITTEE ON WAYS AND MEANS**  
Friday, February 24, 2017  
9:30 AM  
State Capitol, Conference Room 211

in consideration of  
**SB 909 SD1**  
**RELATING TO ENERGY ASSURANCE.**

Chair Tokuda, Vice Chair Dela Cruz, and Members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) **strongly supports** SB 909 SD1, an Administration bill which updates Hawaii's petroleum shortage and energy emergency management (Energy Assurance) statutes, in order to strengthen the State's ability under a Governor-declared state of emergency to reduce or prevent shortages of energy that can cause significant adverse impacts on the economy, environment, public health, and the safety and welfare of the people of Hawaii.

Under current emergency plans, DBEDT is responsible for administering the State's Energy Assurance program and plans. This includes planning, training, and exercising to prepare for, and respond to, energy shortage and disaster events to ensure delivery of the energy needed for critical public services.

The primary authoritative guidance for these functions are the decades-old petroleum shortage statutes. However, these provisions no longer align with government and industry energy emergency best practices. Nor do they adequately enable the State to successfully develop the technical and analytic perspective necessary for situational awareness of the State's energy resources under a state of emergency – a requirement for an effective response.

DBEDT believes that clarity of functional roles and clearly delineated authority for implementation is essential. SB 909's amendments provide policy guidance to better address exposure to energy supply disruption risk over the next decade.

These changes support better informed decision making and implementation of any government or industry resource requests and response actions for a faster and more resilient recovery.

DBEDT takes these roles and responsibilities seriously. As such, we believe that these amendments are a critical component to effectively plan for and respond to the variety and complexity of the threats, hazards, and risks that face Hawaii's energy systems and resources today, to better ensure that fuel products and energy resources are made available to emergency services and critical public needs in a safe, orderly, and efficient manner.

Thank you for the opportunity to offer support on SB 909 SD1.



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

---

Written Testimony Submitted to the  
Senate Committee on Ways and Means  
Friday, February 24, 2017 at 9:30 a.m.

By

Richard Rocheleau, Director  
Hawai'i Natural Energy Institute  
School of Ocean and Earth Science and Technology  
University of Hawai'i at Mānoa

### SB 909 SD1 – RELATING TO ENERGY ASSURANCE

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

My name is Richard Rocheleau, Director of the Hawai'i Natural Energy Institute (HNEI) at the University of Hawai'i at Mānoa. While we spend much time in the design of innovative solutions for energy policy and technology necessary to drive Hawaii's clean energy transformation agenda, an often understated objective is to ensure the resiliency, safety and security of Hawaii's critical energy infrastructure. Energy assurance planning for natural and man-made disasters and disturbances remains one of the most important tasks of key energy stakeholders. HNEI supports SB 909 SD1 because it appropriately addresses a number of housekeeping and substantive improvements to Hawaii's statutes regarding fuel storage and response and energy emergency management.

SB 909 SD1 effectively establishes chapter 125C to clarify the State's roles in energy assurance for overseeing all forms of energy shortage, disruption and emergencies. While the existing plan is heavily focused on petroleum, SB 909 SD1 provides a broader view that affords residents and critical energy consumers with greater coverage and protection potential.

Also addressed in SB 909 SD1 is a greater alignment of state policies on energy assurance with applicable federal, state, county and private sector energy resources, emergency management and energy assurance plans and programs. It brings stark attention to access and confidentiality of crucial energy data essential for energy assurance and response teams to effectively perform, particularly those with Emergency Support Function #12 (energy) responsibilities. SB 909 SD1 also incorporates recommendations found in the most recent federal Quadrennial Energy Review and other federal and state strategic and operational guidance documents.

Thank you for the opportunity to testify in support of SB 909 SD1.

# OFFICE OF INFORMATION PRACTICES

STATE OF HAWAII  
NO. 1 CAPITOL DISTRICT BUILDING  
250 SOUTH HOTEL STREET, SUITE 107  
HONOLULU, HAWAII 96813  
TELEPHONE: 808-586-1400 FAX: 808-586-1412  
EMAIL: oip@hawaii.gov

To: Senate Committee on Ways and Means

From: Cheryl Kakazu Park, Director

Date: February 24, 2017, 9:30 a.m.  
State Capitol, Conference Room 211

Re: Testimony on S.B. No. 909, S.D. 1  
Relating to Energy Assurance

---

Thank you for the opportunity to submit testimony on this bill. The Office of Information Practices (“OIP”) takes no position on this bill, which would make changes to fuel shortage response and energy emergency statutes. OIP testified previously regarding a technical concern, which was fixed by the previous committees. Thus, OIP has no further concern regarding this bill.



**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 24, 2017  
9:30 a.m.  
State Capitol, Room 211

**S.B. 909, S.D. 1**  
**RELATING TO ENERGY ASSURANCE.**

Senate Committee on Ways and Means

---

The Department of Transportation (DOT) **supports** this Administration measure to address deficiencies in Hawaii's fuel shortage response and energy emergency (energy assurance) statutes. We appreciate the objectives of providing policy guidance to the Department of Business, Economic Development and Tourism on preparing for, responding to, recovering from, and mitigating against any actual or potential energy supply disruption or shortage to preserve the State's energy security and to ensure that fuel products and energy resources are made available to emergency services and the public in an orderly, efficient, and safe manner.

Transportation and energy are tightly linked. We believe it is prudent that we analyze and review our energy supply to strengthen our resiliency during emergencies.

Thank you for the opportunity to provide testimony.



February 24, 2017

**COMMITTEE ON WAYS AND MEANS**

Sen. Jill Tokuda, Chair; Sen. Donovan Dela Cruz , Vice Chair; and Members  
Public Hearing, February 24, 2017 at 9:30 a.m., Conference Room 211

**TESTIMONY of WILLIAM F. ANONSEN  
MANAGING PARTNER/PRINCIPAL of THE MARITIME GROUP, LLC  
IN SUPPORT of S.B. 909 SD1**

My name is William Anonsen and I am the Managing Partner/Principal of THE MARITIME GROUP, LLC. We support SB 909 SD1 which helps to address potential deficiencies in Hawaii's energy shortage response and energy emergency assurance statutes by providing policy guidance in preparedness, response, recovery and the establishment of appropriate mitigating measures that protect against energy supply disruptions and/or shortages. These actions serve to preserve the State's energy security in a collaborative and systematic manner which help to safeguard critical fuel products and energy resources that are provided by the private sector and are needed in response to an emergency.

Energy assurance guarantees a robust, secure, and reliable energy infrastructure that is also resilient and able to restore services rapidly in the event of any disaster. Our island state's energy infrastructure is potentially vulnerable to a variety of hazards. Stretching across multi-island state, these systems can be disrupted by severe weather events and other natural disasters, systems failures, and deliberate physical, cyber, or unconventional attacks.

While the owners and operators are responsible for their energy systems in providing energy supplies, it is the responsibility of our state and local officials to work with energy providers and stakeholders from other jurisdictions, government agencies, businesses, and related organizations to ensure the wellbeing and progress of our island communities. The importance of energy assurance planning is essential to achieving a robust, secure and reliable energy infrastructure that is also resilient.

As you can appreciate, information sensitivity and the control of access to information or knowledge can significantly adversely affect a business if the information was to be disclosed to others who are not authorized to have access to that information. Confidential commercial information, contains valuable data or information which is used in one's business and is of a type customarily held in strict confidence or regarded as privileged and not disclosed to any member of the public.

***Mahalo for the opportunity to provide comments in support of this measure.***

Sincerely,

*William F. Anonsen*

William F. Anonsen  
Managing Partner/Principal

---

**1221 Kapiolani Blvd., Suite 1032, Honolulu, Hawaii, 96814  
Tel: (808) 589-1223 [www.The-Maritime-Group.com](http://www.The-Maritime-Group.com)**

February 24, 2017

**TESTIMONY SUPPORTING THE INTENT OF  
SENATE BILL 909, SENATE DRAFT 1, RELATING TO ENERGY ASSURANCE**

Senate Committee on Ways and Means  
The Honorable Jill Tokuda, Chair  
The Honorable Donovan Dela Cruz, Vice Chair

Friday, February 24, 2017 – 9:30 a.m.  
State Capitol, Room 211

Chair Tokuda, Vice Chair Dela Cruz and members of the Committee,

Thank you for providing Par Hawaii with this opportunity to submit written testimony on Senate Bill 909, Senate Draft 1, Relating to Energy Assurance. My name is Lance Tanaka, director of government and public affairs for Par Hawaii. Par Hawaii, Inc., formerly Mid Pac Petroleum, and Par Hawaii Refining, LLC, formerly Hawaii Independent Energy, are subsidiaries of Texas-based Par Pacific Holdings, Inc., formerly known as Par Petroleum Corporation. Collectively we are Par Hawaii, the leading supplier of transportation fuels in the Islands.

In addition to the bill description that is published, the purpose of this bill is to grant the director of the Hawaii Department of Business, Economic Development and Tourism (“DBEDT”) and the director’s designees the authority to collect information from fuel providers to analyze as required for State energy planning, energy assurance planning, and energy supply risk assessment and resilience planning. Senate Draft 1 clarifies that certain information DBEDT receives shall be afforded all protections from disclosure allowed under chapter 92F, Hawaii Revised Statutes.

**Par Hawaii supports the intent of SB 909, SD 1 and prefers this version over HB 1043, HD 1, which does not contain the clarifying language regarding information protection.**

Hawaii’s petroleum refiners and distributors provide up-to-date information on liquid fuel inventories, storage capacities, fuel movements and other vital information to the State Emergency Operations Center during situations for which Hawaii’s governor has declared a state of emergency, such as an impending hurricane.

A concern to Par Hawaii, and other liquid fuel suppliers that are submitting proprietary information to the State during these emergencies, is whether our information is being properly and adequately protected from unwanted disclosure.



Testimony supporting the intent of S.B. 909, S.D. 1, Relating to Energy Assurance  
Lance N. Tanaka, Par Hawaii  
Senate Committee on Ways & Means  
Hawaii State Capitol, Room 211  
Friday, February 24, 2017 – 9:30 a.m.  
Page 2

SB 909, SD 1 and HB 1043, HD 1 are intended to establish a framework for information protection. Of the two measures, SB 909, SD 1 goes further to clarify that the information to be collected by DBEDT is not subject to disclosure under chapter 92F, HRS, the Uniform Information Practices Act (“UIPA”), as prescribed by the Hawaii Office of Information Practices.

For the aforementioned reasons, Par Hawaii prefers SB 909, SD 1 over HB. 1043, HD 1. Thank you for allowing Par Hawaii to present comments supporting the intent of this bill for the Committee’s consideration.

A handwritten signature in black ink, appearing to read "Lance N. Tanaka", with a long horizontal flourish extending to the right.

Lance N. Tanaka  
Director, Government & Public Affairs  
Par Hawaii