



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

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DEPUTY DIRECTOR

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

Wednesday, March 29, 2017
2:00 P.M.

State Capitol, Conference Room 414

in consideration of
SCR123

**REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT,
AND TOURISM TO ESTABLISH A TARGET DATE OF 2045 FOR THE REDUCTION
AND ULTIMATE ELIMINATION OF HAWAII'S DEPENDENCE ON IMPORTED
FOSSIL FUELS FOR ELECTRICAL GENERATION AND GROUND
TRANSPORTATION.**

Chairs Wakai and Inouye, Vice Chairs Taniguchi and Dela Cruz and Members of the Committees.

The Department of Business, Economic Development and Tourism (DBEDT) opposes SCR 123, which requests DBEDT to implement a plan for the ultimate elimination of fossil fuels for electric and ground transportation by 2045.

DBEDT supports the ultimate elimination of fossil fuel in ground transportation and has dedicated resources to that objective. However, DBEDT opposes setting a target date and developing an implementation plan for the ultimate elimination of fossil fuels for ground transportation by 2045. The development of a plan going out to 2045 would divert limited resources away from tactics supporting the reduction of fossil fuel in ground transportation today.

There is significant uncertainty in the technologies and transportation alternatives that would be incorporated in an implementation plan to achieve the ultimate elimination of fossil fuels in ground transportation. This uncertainty is compounded by the lack of an entity such as the public utilities commission to enforce the acquisition of specific clean transportation technologies and programs as part of an integrated plan. In addition, minimal progress has made in reducing fossil fuel use in ground transportation

to date. When the 100% Renewable Portfolio Standard (RPS) was set for the electric sector in 2015, renewable energy resources generated more than 20% of the state's electricity.

However, Hawaii can, and should, aggressively pursue actions now to reduce fossil fuel consumption in ground transportation. Similar to the RPS, DBEDT supports setting near term goals to spur action and support going after low hanging fruit in the transportation sector. Success can support setting increasingly aggressive and informed targets. DBEDT has engaged in numerous activities to support near term fossil fuel reductions.

The State of Hawaii is expected to participate as a Beneficiary of the Environmental Mitigation Trust established through the settlement of claims against Volkswagen alleging violations of the United States Clean Air Act. Hawaii has been initially allocated a total of \$8,125,000 from the Trust to fund eligible environmental mitigation projects in Hawaii. Up to 15% of Hawaii's allocation of the trust (\$1,218,750) is eligible to be spent on Light Duty Zero Emission Vehicle Supply Equipment (e.g. EV charging infrastructure) supporting the electrification of Hawaii's transportation sector, which is in accordance with statements made by Governor Ige during the State of the State 2017 address.

DBEDT's Hawaii Clean Energy Initiative Transportation Energy Analysis (HTEA) report, published in 2015, identified nearly 100 potential tactics that could contribute to reduced petroleum consumption in the transportation sector; analyzed 38 tactics; and recommended 22 tactics that could potentially provide a reduction of 72 million gallons per year in fossil fuel consumption by 2030. The tactics focused on incremental reductions to petroleum relative to baseline consumer adoption of electric vehicles (EVs).

DBEDT supports the Department of Transportation in their Sustainable Transportation Forum which addresses topics including transit oriented development (TOD) and vehicle miles traveled (VMT). TOD and VMT are fossil fuel reducing tactics that are recommended in the HTEA report. Additionally DBEDT is a signatory of the Drive Electric Hawaii MOU along with other state agencies including the Division of Consumer Advocacy and Department of Transportation. Drive Electric Hawaii pursues the ultimate elimination of fossil fuel in ground transportation by focusing on supporting the electrification of ground transportation.

Thank you for the opportunity to offer comments on SCR 123.



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

March 29, 2017
2:00 p.m.
State Capitol, Room 414

S.C.R. 123
REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT,
AND TOURISM TO ESTABLISH A TARGET DATE OF 2045 FOR THE REDUCTION
AND ULTIMATE ELIMINATION OF HAWAII'S DEPENDENCE ON IMPORTED
FOSSIL FUELS FOR ELECTRICAL GENERATION AND GROUND
TRANSPORTATION.

Senate Committees on Economic Development, Tourism and Technology
& Transportation and Energy

The Department of Transportation (DOT) **supports** the intent of S.C.R 123 and would suggest an amendment that includes land use and smart growth principles.

The DOT will collaborate with the Sustainable Transportation Forum whose stakeholders include private citizens, businesses, advocacy organizations, Federal, State and County governmental agencies in submitting a thoughtful report that reduces and eliminates Hawaii's dependence on imported fossil fuels for electrical generation and ground transportation.

Thank you for the opportunity to provide testimony.



**Conservation Council
for Hawai'i**

Hawai'i's voice for wildlife

Kō Hawai'i leo no nā holoholona lōhiu



Testimony Submitted to the Senate Committee on Economic Development, Tourism, and Technology and Senate Committee on Transportation and Energy

Hearing: Wednesday, March 29, 2017, 2 pm
Room 414

Support for SCR 123 Requesting the Department of Business, Economic Development, and Tourism to establish a target date of 2045 for the reduction and ultimate elimination of Hawai'i's Dependence on imported fossil fuels for electrical generation and ground transportation.

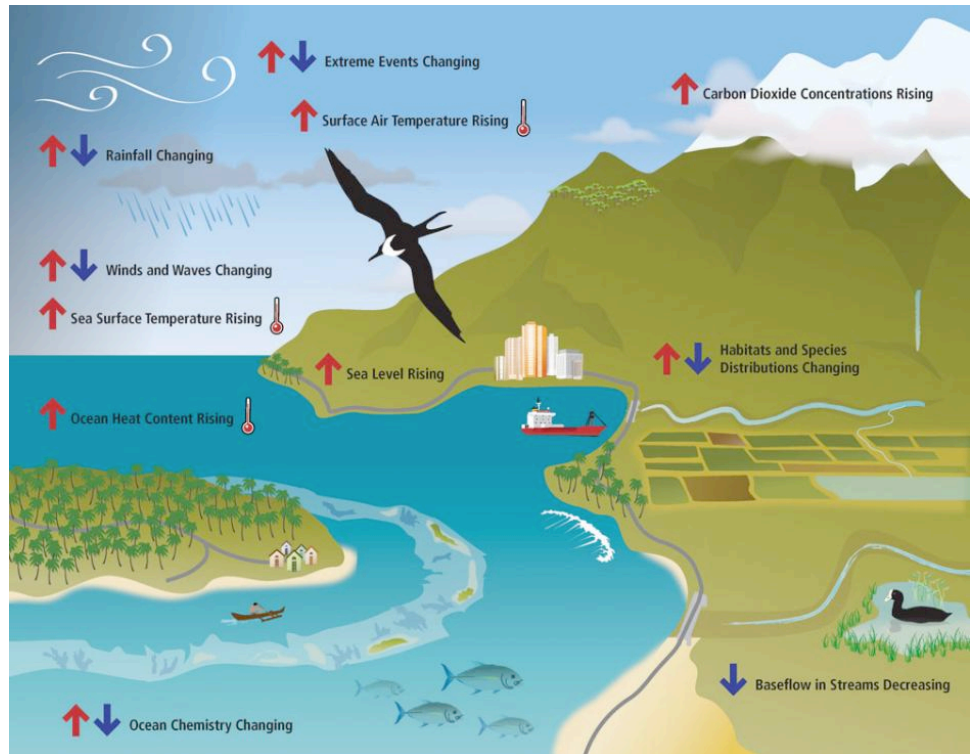
Chair Wakai, Chair Inouye, Vice Chair Taniguchi, Vice Chair Dela Cruz, and Members of the Committees,

Aloha. The Conservation Council for Hawai'i supports SCR 123.

Reducing our dependence on fossil fuels for electricity and ground transportation is achievable in this time frame. We will benefit from the reduction. Climate change is already harming communities, wildlife, and habitats.

Mahalo nui loa for the opportunity to testify.

Marjorie Ziegler
Marjorie Ziegler



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P.O. Box 2923 | Honolulu, HI 96802 | Office: 250 Ward Ave., Suite 215 | Honolulu, HI 96814
President: Wayne Tanaka | Vice President: Koalani Kaulukukui | Secretary: Rachel Sprague
Treasurer: Les Welsh | Director: Anne Walton
Executive Director: Marjorie Ziegler | Administrator: Jonnetta Peters





Email: communications@ulupono.com

SENATE COMMITTEES ON ECONOMIC DEVELOPMENT, TOURISM, & TECHNOLOGY AND
TRANSPORTATION & ENERGY

Wednesday, March 29, 2017 — 2:00 p.m. — Room 414

Ulupono Initiative Strongly Supports SCR 123, Requesting the Department of Business, Economic Development, and Tourism to Establish a Target Date of 2045 for the Reduction and Ultimate Elimination of Hawaii's Dependence on Imported Fossil Fuels for Electrical Generation and Ground Transportation

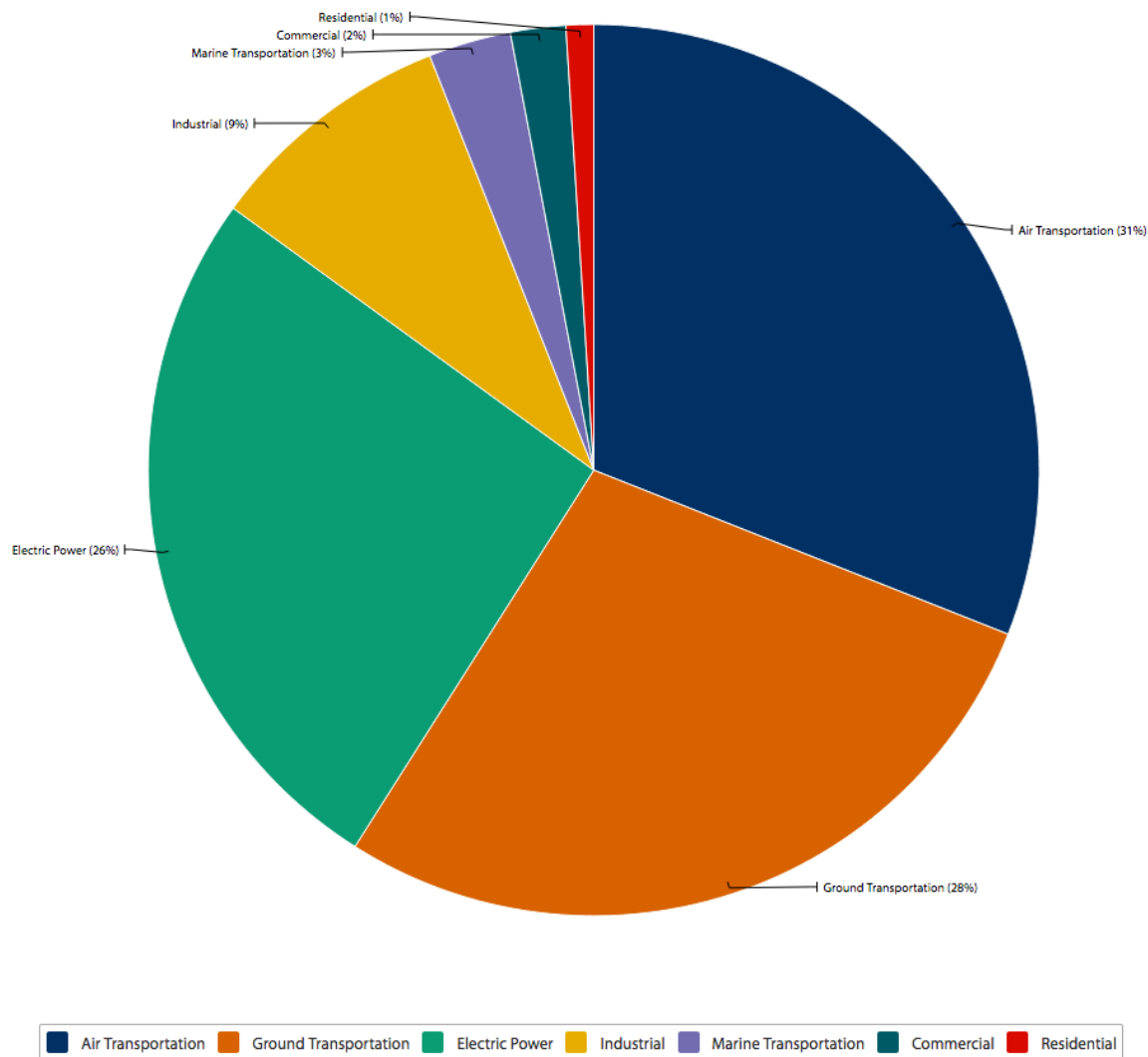
Dear Chair Wakai, Vice Chair Taniguchi, Chair Inouye, Vice Chair Dela Cruz, and Members of the Committees:

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. Ulupono believes 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 SCR 123, which requests the Department of Business, Economic Development, and Tourism to establish a target date of 2045 for the reduction of imported fossil fuels for the electricity and ground transportation sectors, because it aligns with our goal of increasing the production of clean, renewable energy in Hawai'i.

In Hawai'i, while ~20 percent of electricity generation is renewable energy, less than 1 percent of energy use in transportation is renewable. Meanwhile, the transportation sector requires more energy than the electricity sector. Furthermore, about 28 percent of the state's primary energy usage is due to ground transportation, such as cars and trucks, which rely almost exclusively on imported fossil fuels for its energy. Electrifying ground transportation is presently the most efficient and impactful ways to move transportation toward more renewable energy.

Investing in a Sustainable Hawai'i



Yet, to fundamentally change the transportation sector from an imported fossil fuel based system to a renewable fueled sector is a monumental task. It will require leadership, collaboration, public support, financing, and patience with diligence. From prior experience working to make the electricity sector more renewable, it was extremely helpful that the State set goals and targets so that the public and private sector could work together to set goals and strategies to achieve them.

Aspirational goals are important to change mindsets and actions. For example, Hawaiian Electric’s goal of 70 percent renewable electricity generation by 2030 was considered impossible at the time it was proposed, but now it is on the path to meet that ambitiously aspirational goal.

Since the transportation sector currently does not have goals, it has been difficult to bring all of the necessary stakeholders together and work on a common blueprint. The State is also the only authority with enough power to set the necessary statewide transportation



targets and motivate key stakeholders to work toward a common goal.

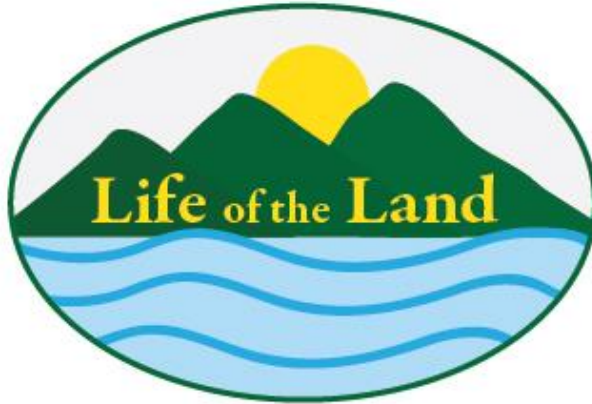
This bill is an important first step for Hawai'i to continue to reduce to dependence on imported fossil fuels.

As Hawai'i's energy issues become more complex and challenging, we appreciate these committees' efforts to look at policies that support renewable energy production.

Thank you for this opportunity to testify.

Respectfully,

Murray Clay
Managing Partner



P.O. Box 37158, Honolulu, Hawai`i 96837-0158
Phone: 927-0709 henry.lifeoftheland@gmail.com

COMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM, AND TECHNOLOGY

Senator Glenn Wakai, Chair

Senator Brian T. Taniguchi, Vice Chair

COMMITTEE ON TRANSPORTATION AND ENERGY

Senator Lorraine R. Inouye, Chair

Senator Donovan M. Dela Cruz, Vice Chair

Wednesday, March 29, 2017

2:00pm

Conference Room 414

re: SCR 123 Ending Fossil Fuel Use

Aloha Chairs Wakai and Inouye, Vice Chairs Taniguchi and Dela Cruz and Committee Members

Please delete the last six words of the Resolution`s title.

As written, the title covers two of five critical areas. The revision would cover all five. They are (1) electricity, (2) gas for heating/cooling, (3) ground transportation, (4) marine transportation, and (5) aviation transportation.

While Hawai`i can`t control ALL forms of aviation transportation fuel, it is necessary to include it as an aspirational goal. Certainly, state regulated or owned helicopters and drones should be run on electricity, green hydrogen or biofuel.

SanHi Government Strategies

a limited liability law partnership

Gary M. Slovin
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DATE: March 28, 2017

TO: Senator Glenn Wakai
Chair, Committee on Economic Development, Tourism, and Technology

Senator Lorraine Inouye
Chair, Committee on Transportation and Energy

Submitted via Capitol Website

RE: **SCR 123 – Requesting the Department of Business, Economic Development, and Tourism to Establish a Target Date of 2045 for the Reduction and Ultimate Elimination of Hawaii’s Dependence on Imported Fossil Fuels for Electrical Generation and Ground Transportation.**

**Hearing Date: Wednesday, March 29, 2017 at 2:00 p.m.
Conference Room: 414**

Dear Chair Wakai, Chair Inouye, and Members of the Joint Committees:

On behalf of the Alliance of Automobile Manufacturers (“Alliance”), we submit these **comments** on SCR 123. The Alliance is a trade association of twelve car and light truck manufacturers including BMW Group, Fiat Chrysler Automobiles, Ford Motor Company, General Motors Company, Jaguar Land Rover, Mazda, Mercedes-Benz USA, Mitsubishi Motors, Porsche, Toyota, Volkswagen Group of North America, and Volvo Car USA.

Automobile manufacturers have invested heavily in the research and development of alternative fuel vehicles, and respect efforts to reduce petroleum consumption in the transportation sector. The Alliance supports

Gary M. Slovin
Mihoko E. Ito
R. Brian Tsujimura
C. Mike Kido
Tiffany N. Yajima
Matthew W. Tsujimura

efforts to increase the penetration of alternative fuel vehicles, but is concerned that a goal to eliminate all fossil fuels for ground transportation is unrealistic and could create a significant burden on residents and the state.

There will still be gasoline-fueled vehicles driven in 2045. Any plug-in hybrid electric vehicle sold beyond 2045 would still require petroleum to run. Given that the national fleet average age of vehicles is currently 12 years, and in Hawaii can be much longer, in order to meet the 2045 goal, it would require that by 2033, at a minimum, all vehicles sold in the state would have to be gasoline-free alternative fuel vehicles. California has the most rigorous standards in the country, but does not contemplate that scenario occurring until 2050, and would still have fuel available for all other used vehicles, cars and trucks with internal combustion engines.

There are over 1 million cars and trucks registered in Hawaii, but, presently, the number of electric vehicles registered in the state constitutes less than 1% of all vehicles. There are thousands of residents who would be either unable to purchase, drive or fuel an alternative fuel vehicle, which would create an undue hardship, and it is uncertain if the number of electric vehicles needed to meet the goal can be made available in Hawaii by 2045.

The Alliance is very interested in continuing dialogue with stakeholders on how to reduce fuel consumption for ground transportation and ways to increase alternative fuel vehicle sales. As a participant to the Department of Transportation's Sustainable Transportation Forum, we would be pleased to continue to work with the Department of Transportation, DBEDT, and any other stakeholders to set reasonable goals for our state.

Thank you for the opportunity to submit this testimony.



TO: SENATE COMMITTEE ON ECONOMIC DEVELOPMENT,
TOURISM, AND TECHNOLOGY
Senator Glenn Wakai, Chair
Senator Brian T. Taniguchi, Vice Chair

and

SENATE COMMITTEE ON TRANSPORTATION AND ENERGY
Senator Lorraine R. Inouye, Chair
Senator Donovan M. Dela Cruz, Vice Chair

FROM: Richard Parry
President of Hawaii Petroleum Marketers Association

HEARING

DATE: Wednesday, March 29, 2017
TIME: 2:00 p.m.
PLACE: State Capitol, Conference Room 414

RE: Testimony on SCR 123 Requesting the Department of Business,
Economic Development, and Tourism to Establish a Target Date of 2045
for the Reduction and Ultimate Elimination of Hawaii's Dependence on
Imported Fossil Fuels for Electrical Generation and Ground
Transportation

Chair Wakai, Vice Chair Taniguchi, and Members of the Committee on Economic Development, Tourism, and Technology, and Chair Inouye, Vice Chair Dela Cruz, and Members of the Committee on Transportation and Energy, I am Richard Parry, President of the Hawaii Petroleum Marketers Association ("HPMA"). HPMA is a non-profit trade association comprised of members who directly market liquid motor fuel products across the Hawaiian Islands. Our membership includes individuals and companies who operate as independent marketers, jobbers or distributors of petroleum products and who buy liquid motor fuel products at the wholesale level and sell or distribute products to retail customers, other wholesalers, and other bulk consumers. HPMA's primary purpose is to protect and advance its members' legislative and regulatory interests in the Hawaiian Islands and Washington, D.C.

Testimony of
Hawaii Petroleum Marketers Association

SCR 123

Hearing Date: Wednesday, March 29, 2017 at 2:00 p.m.

HPMA would like to offer the following comments for the Committees' consideration.

SCR 123 requires the Department of Business, Economic Development, and Tourism (DBEDT) to implement a plan to transition the State to a clean energy economy, including the reduction and ultimate elimination of Hawaii's dependence on imported fossil fuels for electrical generation and ground transportation by 2045. HPMA supports the intent of SCR 123, however, we believe the directive should instead request DBEDT to study and develop such a plan before it can be implemented.

HPMA stands ready and willing to assist and offer our input on developing a plan to transition to a clean energy economy for the State of Hawaii.

Thank you for the opportunity to provide our comments to SCR 123.

**Testimony before the Senate Committee on Economic Development, Tourism and
Technology and the Senate Committee on Transportation and Energy**

**Wednesday, March 29, 2017
2:00 pm**

**By Michael Colón
Director, New Customer Initiatives
Hawaiian Electric Company, Inc.**

Senate Concurrent Resolution 123

Chairs Wakai and Inouye, Vice Chairs Taniguchi and Dela Cruz, and Members of the Committees:

My name is Michael Colón and I am testifying on behalf of Hawaiian Electric Company and its subsidiary utilities, Maui Electric Company and Hawai'i Electric Light Company (collectively, the "Hawaiian Electric Companies").

Senate Concurrent Resolution 123 requests that the Department of Business, Economic Development and Tourism implement a plan to eliminate the use of imported fossil fuels for electrical generation and ground transportation by 2045, and requests that the Department of Transportation's sustainable transportation forum submit annual reports regarding the progress towards the reduction of fossil fuels in ground transportation.

The Hawaiian Electric Companies strongly support the intent of this resolution and consider the elimination of fossil fuels for electricity generation and ground transportation to be essential in the transition of Hawai'i to a clean energy economy. The Companies have consistently shown leadership in the integration of distributed, renewable energy resources, and have submitted Power Supply Improvement Plans to the Public Utilities Commission that include plans to eliminate the use of imported fossil fuels for electricity generation by 2045.

The Companies have also been involved in the electric vehicle space for many years and have various pilots and programs to support their proliferation. The Companies currently have eleven DC fast chargers deployed across its service territory, providing fast, reliable vehicle charging at speeds several times faster than standard level-two charging

stations. This pilot program has been awarded both locally and nationally for its continued efforts to increase electric vehicle charging infrastructure in Hawai'i.

The Companies also have offered various time-of-use rate options to customers interested in owning an electric vehicle and charging it at their home, encouraging vehicle charging during times when renewable energy is produced on the grid or to minimize peak demand impacts. The Companies also provide an online calculator called the WattPlan for Electric Vehicles to help customers decide on buying an electric vehicle and determine the amount of money that can be saved on total energy needs.

In terms of policy, the Companies have recently collaborated with multiple key stakeholders on a memorandum of understanding (MOU), related to electric vehicles, which sets forth a shared vision of powering ground transportation using 100% renewable energy in support of Hawaii's goal of 100% renewable electricity. The primary focus of the MOU group is to accelerate the electrification of transportation in all passenger vehicles, public transit vehicles, and fleet vehicles, which are not otherwise powered by renewable energy.

The Companies support the implementation of a plan to eliminate the use of imported fossil fuels in electricity generation and ground transportation by 2045. The interdependence of clean electricity generation and clean ground transportation may ultimately have tremendous impact on the Companies' future energy planning from both a generation and grid investment perspective. Therefore the Companies respectfully request that they be included in any opportunities to collaborate in the anticipated planning process.

The Companies welcome the legislature's intent to build upon the momentum and progress already achieved in transforming Hawaii's transportation paradigm. For example, Hawai'i is the second largest electric vehicle market on a per capita basis and has over 5,000 registered electric vehicles on the road.

Thank you for the opportunity to testify.

From: mailinglist@capitol.hawaii.gov
Sent: Friday, March 24, 2017 1:18 PM
To: ETT Testimony
Cc: denniskleid@gmail.com
Subject: Submitted testimony for SCR123 on Mar 29, 2017 14:00PM

SCR123

Submitted on: 3/24/2017

Testimony for ETT/TRE on Mar 29, 2017 14:00PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Dennis Kleid	Individual	Support	No

Comments: This is a very important project. It is going to take some time to enable, so we need to start sooner rather than later. We have to make a change. There is no question about that. I would rather have Hawaii lead the change, rather than be the last one opposing. Please, we need this effort to begin. Dennis G Kleid Ph.D. Maui HI

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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