



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

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Statement of
LUIS P. SALAVERIA
Director
Department of Business, Economic Development and Tourism
before the
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION
Thursday, February 9, 2017
8:30 a.m.
State Capitol, Conference Room 325

in consideration of
HB 1043
RELATING TO ENERGY ASSURANCE.

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

The Department of Business, Economic Development and Tourism (DBEDT) **strongly supports** HB 1043, 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. HB 1043'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 **strong support** on HB 1043.

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

H.B. 1043
RELATING TO ENERGY ASSURANCE.

House Committee on Energy and Environmental Protection

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.



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

HB 1043 – RELATING TO ENERGY ASSURANCE

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

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 Hawai'i'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 HB 1043 because it appropriately addresses a number of housekeeping and substantive improvements to Hawai'i's statutes regarding fuel storage and response and energy emergency management.

HB 1043 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 provides a broader view that affords residents and critical energy consumers with greater coverage and protection potential.

Also addressed in HB 1043 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. The bill 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 HB 1043.

LATE

STATE OF HAWAII
DEPARTMENT OF DEFENSE
OFFICE OF HOMELAND SECURITY

TESTIMONY ON HOUSE BILL 1043
A BILL RELATING TO ENERGY ASSURANCE

PRESENTATION TO
THE HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

BY
PAUL EPSTEIN

OFFICE OF HOMELAND SECURITY HAWAII STATE FUSION CENTER
FEBRUARY 7, 2017

Chair Lee, Vice Chair Lowen and Members of the House Committee on Energy & Environmental Protection:

I am Paul Epstein, Director of the Hawaii State Fusion Center, Office of Homeland Security. I am testifying in **SUPPORT** of House Bill 1043.

This bill establishes chapter 125C, Hawaii Revised Statutes, as the enabling statute for the State's DBEDT energy assurance program to address the threat of all forms of energy shortage, disruption, or emergency, in order to protect the State's energy interests, threats, and risks to the State's energy security and resilience of its energy system.

House Bill 1043 is necessary to provide the State with the policy support and functional guidance to meet the state's energy needs. Please support this important initiative.

Thank you for allowing me to testify in **SUPPORT** of House Bill 1043.

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

TESTIMONY OF
RODERICK K. BECKER, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE
ON
ENERGY AND ENVIRONMENTAL PROTECTION
THURSDAY, FEBRUARY 9, 2017
8:30 A.M.
CONFERENCE ROOM 325

H.B. 1043

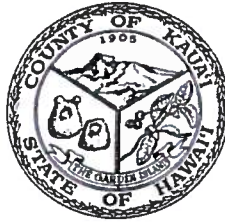
RELATING TO ENERGY ASSURANCE

Chair Lee, Vice Chair Lowen, and members of the Committee, thank you for the opportunity to provide written testimony on H.B. 1043. The Department of Accounting and General Services (DAGS) supports H.B. 1043.

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 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.

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

Bernard P. Carvalho, Jr.
Mayor



Elton S. Ushio
Emergency Management
Administrator

Wallace G. Rezentes, Jr.
Managing Director

KAUA'I EMERGENCY MANAGEMENT AGENCY

3990 Kaana St., Suite 100, Līhu'e, Hawai'i 96766
TEL (808) 241-1800 FAX (808) 241-1860

February 8, 2017

The Honorable Representative Chris Lee, Chair, Nicole E. Lowen, Vice Chair and Members,
Committee on Energy and Environmental Protection

State House of Representatives
415 South Beretania Street
Honolulu, Hawai'i 96813

SUBJECT: SUPPORT OF H.B. 1043 RELATING TO ENERGY ASSURANCE

Chair Lee, Vice Chair Lowen and Committee Members:

I am Elton Ushio, Administrator of the Kaua'i Emergency Management Agency, testifying in support of H.B. 1043.

The Kaua'i Emergency Management Agency supports H.B. 1043, which proposes to amend and update H.R.S. §125C.

The proposed updates are necessary to address energy assurance for all forms of energy shortages, disruptions or emergencies, to adapt to current threats, hazards and risks, as well as to bring §125C into better alignment with H.R.S. §127A and §196.

This would be in the best interest of State and County government, DBEDT, emergency management, our various energy sector partners, and the people we serve.

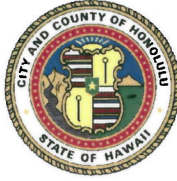
Sincerely,

Elton S. Ushio
Emergency Management Administrator

DEPARTMENT OF EMERGENCY MANAGEMENT
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET • HONOLULU, HAWAII 96813
PHONE: (808) 723-8960 • FAX: (808) 524-3439

KIRK CALDWELL
MAYOR



MELVIN N. KAKU
DIRECTOR

PETER J.S. HIRAI
DEPUTY DIRECTOR

February 7, 2017

The Honorable Chris Lee, Chair
The Honorable Nicole Lowen, Vice Chair
Committee on Energy and Environmental Protection
House of Representatives
State Capitol
415 South Beretania Street, Room 325
Honolulu, Hawaii 96813

Dear Chair Lee, Vice Chair Lowen, and Members:

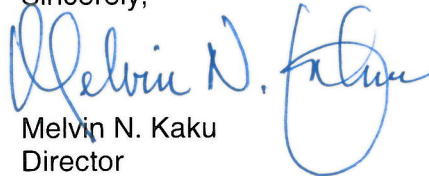
SUBJECT: SUPPORT OF H.B. 1043 RELATING TO ENERGY ASSURANCE

I am Melvin Kaku, Director of the Department of Emergency Management (DEM), City and County of Honolulu (City).

DEM strongly supports H.B. 1043 which addresses deficiencies in Hawaii's fuel shortage response and energy emergency (energy assurance) statutes. We appreciate the objectives of providing policy guidance to DBEDT 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.

I urge your committee to pass H.B. 1043. Thank you for the opportunity to testify.

Sincerely,


Melvin N. Kaku
Director

cc: Roy K. Amemiya, Jr., Managing Director



February 9, 2017

COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

*Rep. Chris Lee Chair; Rep. Nicole Lowen, Vice Chair; and Committee Members
Public Hearing, February 9, 2017 at 8:30 a.m., Conference Room 325*

**TESTIMONY of WILLIAM F. ANONSEN
MANAGING PARTNER/PRINCIPAL of THE MARITIME GROUP, LLC
IN SUPPORT of H.B. 1043 (ENERGY ASSURANCE)**

My name is William Anonsen and I am the Managing Partner/Principal of THE MARITIME GROUP, LLC. We strong support HB 1043 which helps to address deficiencies in Hawaii's energy shortage response and energy emergency assurance statutes. This legislation serves to provide policy guidance in preparedness, response, recovery and mitigating against energy supply disruptions and/or shortages 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.

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.

Mahalo for the opportunity to comment in support of H.B. 1043

Sincerely,

William F. Anonsen

*William F. Anonsen
Managing Partner/Principal*

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 7, 2017 11:06 PM
To: EEPtestimony
Cc: tika_bean@hotmail.com
Subject: Submitted testimony for HB1043 on Feb 9, 2017 08:30AM

HB1043

Submitted on: 2/7/2017

Testimony for EEP on Feb 9, 2017 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Erica Scott	Individual	Support	No

Comments: Aloha, my name is Erica Scott and I am a Makiki resident and I strongly support this bill.

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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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 7, 2017 12:59 PM
To: EEPtestimony
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for HB1043 on Feb 9, 2017 08:30AM*

HB1043

Submitted on: 2/7/2017

Testimony for EEP on Feb 9, 2017 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

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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Headquarters
and Refining

91-480 Malakole St.
Kapolei, HI 96707

DATE: Thursday, February 9, 2017
TIME: 8:30am
PLACE: Conference Room 325
State Capitol
415 South Beretania Street

Re: Hearing on House Bill 1043 Relating to Energy Assurance

Aloha Chair Lee, Vice Chair Lowen and Members of the Committee on Energy & Environmental Protection,

Island Energy Services, LLC (IES) purchased the assets of the formerly owned and operated Chevron on November 1, 2016, and continues to operate as a key supplier of petroleum products to the Hawaii market and economy. As a key supplier, IES agrees with the intent of HB 1043 and supports the State's objective in being prepared if an emergency hits the State and preserving energy and fuel security for all the residents of the State of Hawaii.

IES has and continues to work with DBEDT on energy issues, including emergency preparedness and assurance. IES would comment that any time a statute is being amended that calls for the providing of petroleum business information, IES is concerned in 3 areas:

- (1) that information provided by IES, much of which is proprietary and confidential in nature, that the statute keep the information confidential and that DBEDT use the confidential information for its intended purpose of emergency preparedness and for no other purpose;
- (2) DBEDT/Governor will need to make certain public pronouncements about fuel security, and while keeping the individual company names confidential, will discuss certain items and data in the aggregate. However, because Hawaii has a small number of petroleum operators in Hawaii, aggregation might not be possible, without disclosing confidential information, and possibly causing harm to operator. DBEDT has given IES assurances that if this means not being able to aggregate certain detailed information in order to maintain its confidentiality, then that information cannot leave the possession of DBEDT, and will be handled accordingly; and



Headquarters
and Refining

91-480 Malakole St.
Kapolei, HI 96707

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(3) that the requested information by DBEDT is not overly broad and that it does not unduly burden IES and other fuel companies, and it does not hinder the operations of IES in compiling the data. IES continues to work with DBEDT in providing accurate data that can be provided in the course of its business operations.

Mahalo for this opportunity to offer these comments on HB 1043.

Mahalo,

Al Chee
Vice President
Island Energy
Retail Marketing & Community Relations