



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

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GOVERNOR

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Statement of
LUIS P. SALAVERIA
Director

Department of Business, Economic Development, and Tourism

before the
HOUSE COMMITTEE ON FINANCE
Wednesday, February 28, 2018
1:00 p.m.
State Capitol, Conference Room 308

in consideration of
HB2719, HD1
RELATING TO ENERGY.

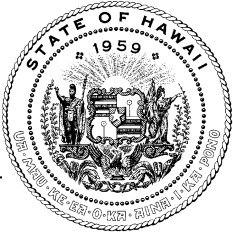
Chair Luke, Vice Chair Cullen, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) offers comments on HB2719, HD1, which changes the Hawaii Clean Energy Initiative program to the Hawaii Clean Economy Initiative, adds clean transportation and carbon accounting to the HCEI program definition, and creates an executive director position over the HCEI advisory board funded by the energy security special fund.

DBEDT appreciates the bill for bringing attention to both the important connection between energy and the economy in Hawaii and the resources needed to foster collaboration between the government and other energy sector stakeholders. DBEDT can and does focus on economic value of clean energy and its impacts to the economy. The Department, however, has concerns about the change in the branding from “energy” to “economy.” There have been much effort and expense in establishing the current brand, including a tenth anniversary celebration brochure funded in January by the U.S. Department of Energy, as well as a video presently under development. Therefore, we recommend continuing with “energy.”

DBEDT also has concerns about creating an additional position funded by the Energy Security Special Fund without increasing the amount of money allocated to that fund as this would adversely impact priorities indicated in our Executive Budget.

Thank you for the opportunity to offer testimony on HB2719, HD1.



OFFICE OF PLANNING STATE OF HAWAII

DAVID Y. IGE
GOVERNOR

LEO R. ASUNCION
DIRECTOR
OFFICE OF PLANNING

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Statement of
LEO R. ASUNCION
Director, Office of Planning
before the
HOUSE COMMITTEE ON FINANCE
Wednesday, February 28, 2018
1:00 PM
State Capitol, Conference Room 308

in consideration of
HB 2719, HD1
RELATING TO ENERGY.

Chair Luke, Vice Chair Cullen, and Members of the House Committee on Finance.

HB 2719, HD1 (1) establishes the Hawaii Clean Economy Initiative Advisory Board (Board); (2) allocates funds from the Energy Security Special Fund to support the Board; (3) changes the name of the Hawaii Clean Energy Initiative Program to the Hawaii Clean Economy Initiative Program (Program) and expands the role of the Program to include carbon sequestration; and (4) extends the implementation date of the Program's plans from 2030 to 2045. The Office of Planning (OP) respectfully offers the following comments:

OP is the lead agency for the Carbon Farming Task Force (Task Force). The Task Force is currently responsible for identifying agricultural, aquacultural and agroforestry activities and best practices that provide carbon sequestration benefits that may be used to establish a carbon farming certification. Should this measure pass, OP and the Task Force look forward to working in concert with the Program, given that the goals of the Program and the Task Force align regarding carbon sequestration.

As lead agency for Hawaii Revised Statutes (HRS) § 225M-2, OP considers the changes from Page 8, Line 20 through Page 12, Line 11, and on Page 14, Line 18, to be technical and non-substantial in nature and has no comments at this time.

Thank you for the opportunity to comment on this measure.



SIERRA CLUB OF HAWAI'I
MĀLAMA I KA HONUA. *Cherish the Earth.*

HOUSE COMMITTEE ON FINANCE

Wednesday, February 28, 2018 1:00PM Conference Room 308

In SUPPORT of HB 2719 HD1 Relating to energy

Aloha Chair Luke, Vice Chair Cullen and members of the Committee,

On behalf of our 20,000 members and supporters, the Sierra Club of Hawai'i, a member of the Common Good Coalition, **supports HB 2719 HD1**. This bill seeks to establish the Clean Energy Economy Initiative Advisory Board.

Hawai'i is a global leader in clean energy. Between our visionary goal to be 100% renewable by 2045, codification of our commitment to the Paris Climate Accord, and the piloting of new carbon sequestration projects, Hawai'i needs a state entity dedicated to transitioning us to a clean energy economy that benefits everyone. Establishing the Clean Economy Initiative Advisory Board would facilitate Hawai'i's conversion to a clean energy economy by providing expert guidance, oversight, and alignment across our goals for renewable energy production, clean transportation, and carbon sequestration.

We support this measure because we recognize the important opportunities on the horizon for Hawai'i to create high quality jobs for local residents that improve our environment, strengthen our global economic standing, and cannot be exported or easily automated. Timing and capacity are key to catching this wave. That is why we *need an expert entity* to committed to accomplishing this mission.

Thank you very much for this opportunity to provide testimony in **strong support of HB 2719 HD1**.



Email: communications@ulupono.com

HOUSE COMMITTEE ON FINANCE
Wednesday, February 28, 2018 — 1:00 p.m. — Room 308

Ulupono Initiative Supports HB 2719 HD 1, Relating to Energy

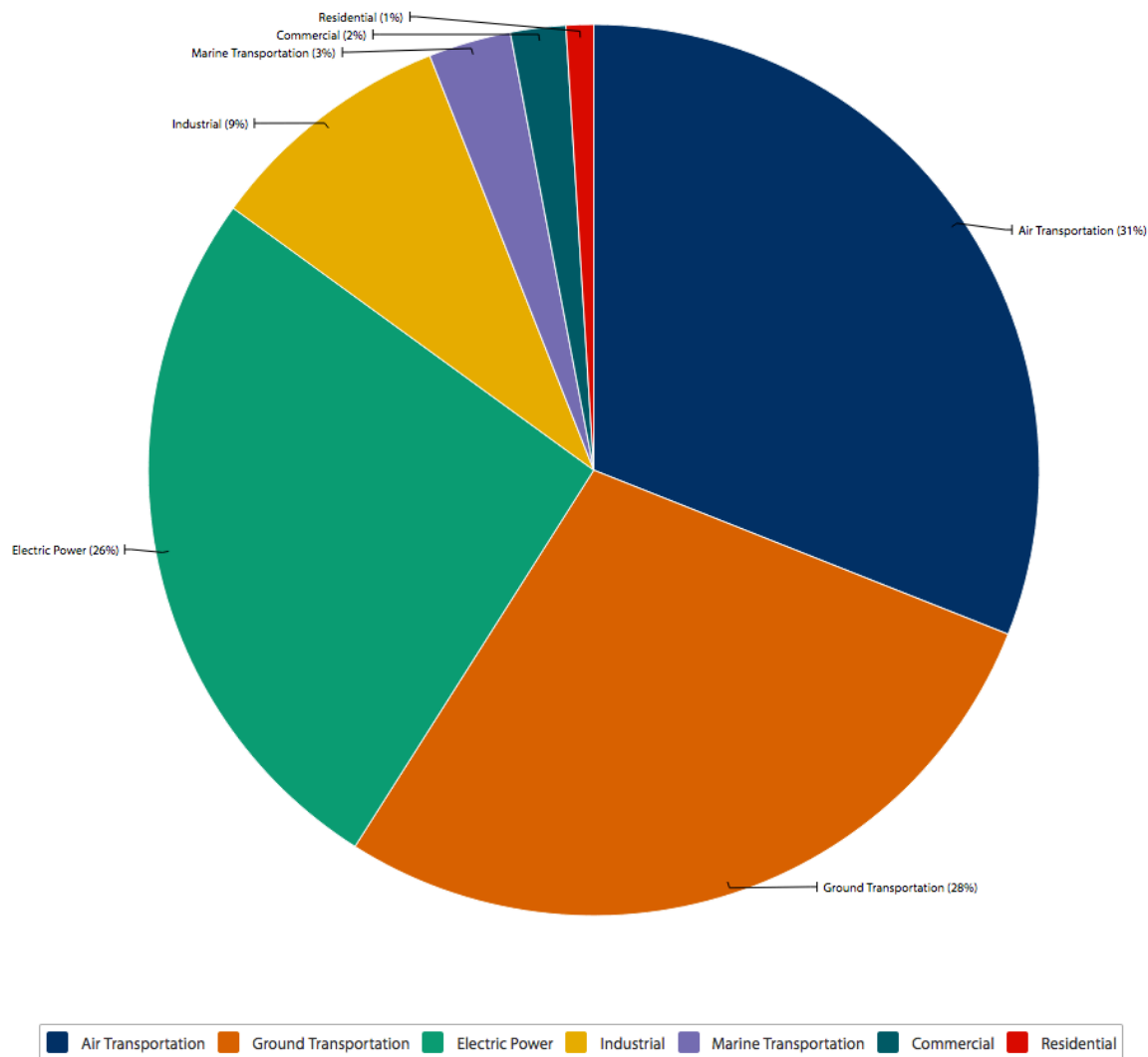
Dear Chair Luke, Vice Chair Cullen, and Members of the Committee:

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 better management of waste and fresh water. 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 supports HB 2719 HD 1, which establishes a clean transportation initiative advisory board, because it aligns with our goal of increasing the production of clean, renewable energy in Hawai'i.

In Hawai'i, while ~25 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 way 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.

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

Thank you for this opportunity to testify.

Respectfully,

Murray Clay
Managing Partner



Hawai`i Interfaith Power and Light

A religious response to global warming



To: Committee on Finance (FIN)
From: Hawaii Interfaith Power & Light (HIPL)
Date: Monday, 26 February, 2018
Re: Support for HB2719, Relating to Energy.

Aloha e Chair Luke, Vice Chair Cullen, and Members of the Committee on Finance,

My name is Travis Idol, I'm an environmental scientist and President of Hawaii Interfaith Power & Light (HIPL). HIPL's interfaith community affirms and promotes responsible policy and effective action on energy and climate change. On behalf of HIPL, thank you for this opportunity to submit **Testimony in Support of HB2719** for the following reasons:

- 1) This bill recognizes that energy use in Hawaii is more than just about generating electricity but also includes our transportation sector. A **clean economy** is a social issue, an economic issue, an ecological issue, and an ethical issue grounded in our human identities, our justice traditions, and our spiritual values. Transitions can seem unsettling if not overwhelming, but **we already have the traditional wisdom and the current knowledge** that we need to transition to a sustainable clean energy economy. The Hawaii Clean Energy Initiative, thus, needs to expand its mandate to include helping our entire economy transition to a clean future.
- 2) Unsustainable policies and practices will continue to decrease security and increase economic and environmental costs, both globally and locally, until we transition to a fossil-free society. Please do everything in your power at every opportunity to **transition Hawaii to secure, affordable, 100% renewable local resources for a clean energy economy, which includes the transportation sector**, without delay.
- 3) Mutual respect and good-faith collaboration will empower diverse stakeholders to respond sustainably to Hawaii's social, economic, and environmental challenges. Please enable this change in the Hawaii Clean Energy Initiative task force to **facilitate the statewide stakeholder collaboration and advice** that we need to transition to a **clean economy** for Hawaii.

The cost of doing nothing far outweighs the cost of transitioning! *With a sense of urgency* for the effective stewardship of our community, our economy, and our environment, we rely on your leadership to help transition Hawaii to a clean energy economy without delay. Thank you for all that you do!

Aloha no,

Travis Idol, HIPL President, (415) 506-8192, hipl@hipl.org

HIPL embraces the following goals:

- *raise awareness of the deeply spiritual nature of energy and climate challenges;*
- *advocate energy policies that promote conservation, efficiency, and renewables;*
- *provide inspiration, resources, leadership, and education for effective action and community building.*



Hawai`i Interfaith Power and Light

A religious response to global warming



Support for HB2719 HD1, Relating to Energy

To: Committee on Finance (FIN)
From: Hawaii Interfaith Power & Light (HIPL)
Date: Wednesday, February 28, 2018
Time: 1:00 P.M.
Place: Conference Room 308, State Capitol, 415 South Beretania Street

Re: Support for HB2719 HD1, Relating to Energy.

Aloha e Chair Luke, Vice Chair Cullen, and Members of the Committee on Finance,

My name is Steve Lohse, I'm an environmental scientist and Legislative Liaison for Hawaii Interfaith Power & Light (HIPL). HIPL's interfaith community affirms and promotes responsible policy and effective action on energy and climate change. On behalf of HIPL, thank you for this opportunity to submit **Testimony in Support of HB2719 HD1** for the following reasons:

(1) Clean energy is a social issue, an economic issue, an ecological issue, and an ethical issue grounded in our human identities, our justice traditions, and our spiritual values. Transitions can seem unsettling, but **we already have the traditional wisdom and the current knowledge** that we need to transition to a sustainable clean energy economy.

(2) Unsustainable policies and practices will continue to decrease security and increase economic and environmental costs, both globally and locally, until we transition to fossil-free clean energy. Please do everything in your power to **transition Hawaii to secure, affordable, 100% renewable local resources for a clean energy economy** without delay.

(3) Mutual respect and good-faith collaboration will empower Hawaii to respond sustainably to our social, economic, and environmental challenges. **Please support this Hawaii clean energy initiative advisory board to advise the State on the necessary transition** to a clean energy economy for Hawaii, including our transportation economy.

The cost of doing nothing far outweighs the cost of transitioning! *With a sense of urgency* for the effective stewardship of our community, our economy, and our environment, we rely on your leadership to help transition Hawaii to a clean energy economy without delay. Thank you for all that you do!

Aloha no,

Hawaii Interfaith Power & Light (HIPL)

Steve Lohse, HIPL Legislative Liaison, 808-499-5406, lohse@hawaii.edu

HIPL embraces the following goals:

- *raise awareness of the deeply spiritual nature of energy and climate challenges;*
- *advocate energy policies that promote conservation, efficiency, and renewables;*
- *provide inspiration, resources, leadership, and education for effective community action.*

HB-2719-HD-1

Submitted on: 2/27/2018 12:50:40 PM

Testimony for FIN on 2/28/2018 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	OCC Legislative Priorities Committee, Democratic Party of Hawai'i	Support	No

Comments:



To: The House Committee on Finance
From: Brodie Lockard, 350Hawaii.org, 808-262-1285
Date: Wednesday, February 28, 2018

In opposition to HB 2719 HD1

Dear Chair Luke, Vice Chair Cullen and Committee members,

I am a founder of the Hawaii chapter of 350.org, the largest international organization dedicated to fighting climate change. 350Hawaii.org opposes HB 2719 HD1.

The purpose of this bill seems to be to give businesses in Hawaii more heft as we strive to reach our goal of 100% renewable energy by 2045. We would expect other, more concrete bills to follow, as business unsurprisingly seeks more control over the process.

Renaming the Hawaii clean energy initiative program to the Hawaii clean *economy* initiative program could have no other purpose.

Other language in the bill gives further consideration to businesses:

- * Every mention of sequestration provides an excuse to produce more carbon. Sequestering carbon is helpful, but should not be used as a main strategy for reducing net emissions.

- * Businesses and corporations gain inappropriate influence on the transition to clean energy through phrases like "equitable implementation of these goals," "Aligning private sector ... and nonprofit organizations," "Advising state policymakers, officials, and regulators on ... regulatory structures."

- * "Engineering and economic evaluations of Hawaii's potential for near-term and **long-term** project opportunities for the State's renewable energy and carbon sequestration resources," "The office of planning shall gather, analyze, and provide information ... to assist in the overall analysis and formulation of state policies and strategies" and "formulating strategies and alternative courses of action" can be used to delay and impede processes unnecessarily.

- * "Formulating mechanisms to simplify, streamline, or coordinate interagency development and regulatory processes" means "objecting to regulations."

This type of language is a step toward the private sector undercutting the public's clean energy and climate change goals. It's buried in a bill that sounds benign, but future bills are likely to use stronger language. This subversion must be cut off at the start.

Please oppose HB 2719 HD1. Our goal is clean energy, not business-friendly policy. That's what got us into this mess.

Thank you for the opportunity to testify.

Brodie Lockard
350Hawaii.org

HB-2719-HD-1

Submitted on: 2/27/2018 10:47:00 AM

Testimony for FIN on 2/28/2018 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Sherry Pollack	Individual	Support	No

Comments:



COLLEGE OF SOCIAL SCIENCES
HAWAII ENERGY POLICY FORUM
UNIVERSITY OF HAWAI'I AT MĀNOA

Hawaii Energy Policy Forum

Jeanne Schultz Afuvai, Hawaii Inst. for Public Affairs
David Bissell, Kauai Island Utility Cooperative
Michael Brittain, IBEW, Local Union 1260
Jade Butay, Hawaii Dept of Transportation
Caroline Carl, Hawaii Energy
Albert Chee, Island Energy Services
Elizabeth Cole, The Kohala Center
Kyle Datta, Uluopono Initiative
Richard DeGarmo, Hawaii Gas
Mitch Ewan, UH Hawaii Natural Energy Institute
Jay Fidell, ThinkTech Hawaii
Carl Freedman, Haiku Design & Analysis
Matthias Fripp, REIS at University of Hawaii
Ford Fuchigami, Ofc of Hawaii State Governor
Will Giese, Inter-Island Solar Supply
Dale Hahn, Ofc of US Senator Brian Schatz
Michael Hamnett, SSRI at University of Hawaii
Senator Lorraine Inouye, Hawaii State Legislature
Randy Iwase, Public Utilities Commission
Darren Kimura, Energy Industries
Representative Chris Lee, Hawaii State Legislature
Gladys Marrone, Building Industry Assn of Hawaii
Stephen Meder, UH Facilities and Planning
Sharon Moriwaki, UH Public Policy Center
Rocky Mould, City & County of Honolulu CCSR
Aina Naniolo, Ofc of US Congresswoman Colleen Hanabusa
Ron Nelson, Defense Logistics Energy Agency
Dean Nishina, Division of Consumer Advocacy
Denise Oda, US Department of Agriculture
Stan Osserman, HCATT
Melissa Pavlicek, Hawaii Public Policy Advocates
Randy Perreira, Hawaii Government Employees Assn
Fredrick Redell, Maui County Energy Office
Rick Rocheleau, UH Hawaii Natural Energy Institute
Ross Roley, PACOM
Will Rolston, Hawaii County, Research & Development
Peter Rosegg, Hawaiian Electric Companies
Scott Seu, Hawaiian Electric Companies
Carlyn Shon, Hawaii State Energy Office, DBEDT
Joelle Simonpietri, Simonpietri LLC
Ben Sullivan, Kauai County
Lance Tanaka, Par Hawaii
Maria Tome, Public Utilities Commission
Kirsten Turner, Ofc of US Representative Tulsi Gabbard
Alan Yamamoto, Ofc of US Senator Mazie Hirono

Testimony of Lance Tanaka
Chair, Fuels Working Group
Hawaii Energy Policy Forum

LATE

To the
House Committee on Finance

February 28, 2018 at 1:00 p.m. in Conference Room 308

**SUPPORTING THE INTENT OF HOUSE BILL 2719, HOUSE DRAFT 1,
RELATING TO ENERGY**

Chair Luke, Vice-Chair Cullen, and Members of the Committee,

I am Lance Tanaka, Chair of the Fuels Working Group of the Hawaii Energy Policy Forum (Forum). The Forum, created in 2002, is comprised of over 40 representatives from Hawaii's electric utilities, oil and natural gas suppliers, environmental and community groups, renewable energy industry, and federal, state and local government, including representatives from the neighbor islands. Our vision and mission, and comprehensive "10 Point Action Plan" serves as a guide to move Hawaii toward its preferred energy goals.

HB 2719, HD 1 establishes the Hawaii clean economy initiative advisory board to advise the State on the transition to a clean energy economy.

The Forum supports the intent of the measure and submits the following amendments for the Committee's consideration.

This bill re-vamps the Hawaii Clean Energy Initiative and Board to more directly include economic, transportation, and industry considerations in planning and prioritization for the State. We applaud the effort to improve accountability and performance metrics, facilitate and remove road blocks to integrated food and energy projects; increase effective dialogue, and improve infrastructure and reduce cost for the people and organizations trying to help the State meet its ambitious clean energy goals. The Forum asks the Committee to consider the following amendments:

- Require the Hawaii Clean Economy Board to operate under sunshine law or at least have periodic meetings made open to the public.
- Establish additional Board positions for a more holistic view of the state's economy, beyond just electricity and electric vehicles. The Forum recommends appointing representatives of each of the four major energy sectors of the state: fuel production and distribution, air transportation, ground transportation, and electrical generation. This would be consistent with the language in HB 2724, HD 1 describing the Board's purpose as being to "Engage the private sector to help lead efforts to achieve clean energy goals through the Hawaii clean energy initiative advisory board."
- Allow trade associations to participate as non-voting observers on the Board.



Hawaii Energy Policy Forum

Jeanne Schultz Afuvai, Hawaii Inst. for Public Affairs
David Bissell, Kauai Island Utility Cooperative
Michael Brittain, IBEW, Local Union 1260
Jade Butay, Hawaii Dept of Transportation
Caroline Carl, Hawaii Energy
Albert Chee, Island Energy Services
Elizabeth Cole, The Kohala Center
Kyle Datta, Ulupono Initiative
Richard DeGarmo, Hawaii Gas
Mitch Ewan, UH Hawaii Natural Energy Institute
Jay Fidell, ThinkTech Hawaii
Carl Freedman, Haiku Design & Analysis
Matthias Fripp, REIS at University of Hawaii
Ford Fuchigami, Ofc of Hawaii State Governor
Will Giese, Inter-Island Solar Supply
Dale Hahn, Ofc of US Senator Brian Schatz
Michael Hamnett, SSRI at University of Hawaii
Senator Lorraine Inouye, Hawaii State Legislature
Randy Iwase, Public Utilities Commission
Darren Kimura, Energy Industries
Representative Chris Lee, Hawaii State Legislature
Gladys Marrone, Building Industry Assn of Hawaii
Stephen Meder, UH Facilities and Planning
Sharon Moriwaki, UH Public Policy Center
Rocky Mould, City & County of Honolulu CCSR
Aina Naniolo, Ofc of US Congresswoman Colleen Hanabusa
Ron Nelson, Defense Logistics Energy Agency
Dean Nishina, Division of Consumer Advocacy
Denise Oda, US Department of Agriculture
Stan Osserman, HCATT
Melissa Pavlicek, Hawaii Public Policy Advocates
Randy Perreira, Hawaii Government Employees Assn
Fredrick Redell, Maui County Energy Office
Rick Rocheleau, UH Hawaii Natural Energy Institute
Ross Roley, PACOM
Will Rolston, Hawaii County, Research & Development
Peter Rosegg, Hawaiian Electric Companies
Scott Seu, Hawaiian Electric Companies
Carilyn Shon, Hawaii State Energy Office, DBEDT
Joelle Simonpietri, Simonpietri LLC
Ben Sullivan, Kauai County
Lance Tanaka, Par Hawaii
Maria Tome, Public Utilities Commission
Kirsten Turner, Ofc of US Representative Tulsi Gabbard
Alan Yamamoto, Ofc of US Senator Mazie Hirono

Testimony of the Hawaii Energy Policy Forum
Supporting the Intent of HB 2719, HD 1, Relating to Energy
Page 2

- Add language to specifically include local food, renewable fuel, and value-added products and integrated projects in the scope of “Hawaii Clean Energy.”
- Establish a need for the state to plan in a holistic manner that incorporates the phasing out of traditional fossil fuels and carbon-intensive sources of energy, as soon as practical, along with energy conservation and mandated additions of renewable energy capacity for transportation and fuel, electricity generation, vehicle electrification, integrated food and energy projects, and waste re-use and sustainable business measures in a prioritized manner that also gives consideration to cost and aligns with sustainability and resilience goals; and balances economic, environmental, social, and cultural considerations.
- Require holistic planning that includes careful consideration of the value of existing infrastructure.
- Clarify the goal to have an economy that “sequesters more atmospheric carbon than it produces.”

Thank you for the opportunity to testify.

This testimony reflects the position of the Forum as a whole and not necessarily of the individual Forum members or their companies