

HB 2724

HD 1

**RELATING TO
STATE ENERGY
AGENCIES**

A BILL FOR AN ACT

RELATING TO STATE ENERGY AGENCIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that energy composes
2 approximately one-eighth of Hawaii's overall economy. Electric
3 bills for public facilities and public transportation services
4 exceeds \$400,000,000 annually. Management and direction of the
5 energy sector of our economy is becoming an increasingly complex
6 and critically important job. According to Hawaii's utilities,
7 successfully achieving one hundred per cent renewable
8 electricity by 2045 is expected to save nearly \$6,000,000,000.
9 Additionally, electric vehicles are already cheaper to operate
10 than traditional gas-powered vehicles. Transitioning to clean
11 transportation will save residents billions of dollars. Climate
12 change is expected to cost the State at least \$19,000,000,000 in
13 losses from sea level rise alone, making the switch to renewable
14 energy and the ultimate reduction of atmospheric carbon a
15 priority. The State must also handle the need for island
16 resiliency; rapid increase and economic viability of renewable
17 and distributed energy resources; the digitization,



1 democratization, and inter-connectivity of infrastructure; and
2 the electrification and automation of transportation. These
3 complex realities reveal the need for a state agency responsible
4 for assisting the transition to a clean energy economy to meet
5 Hawaii's climate and cost-of-living goals.

6 The legislature further finds that efforts taken by the
7 universities, public schools, executive departments, and other
8 government entities have already begun to save taxpayer money by
9 reducing the government's electricity costs. However, those
10 efforts lack statewide coordination, preventing economies of
11 scale to maximize savings. While some departments have made
12 substantial progress, others have yet to commence meaningful
13 activities. Tasking a single agency to plan for energy savings
14 measures across all public facilities and assist government
15 entities already working to reduce energy costs is a necessary
16 step to maximize taxpayer savings.

17 The legislature further finds that although the state
18 energy office is tasked with the responsibility of overseeing
19 one-eighth of Hawaii's economy, which impacts every business and
20 household, the state energy office lacks an enabling statute, a
21 mission, formal guidance, and reporting accountability.



1 Additionally, appointment of the head of the state energy
2 office, the Hawaii state energy office administrator, is exempt
3 from the standard senate confirmation process required for the
4 majority of other agency heads.

5 The purpose of this Act is to establish in statute an
6 energy agency with a clear mission, established guidance,
7 transparent reporting, and accountable leadership that will
8 assist both the public and private sectors in achieving the
9 State's energy goals. More specifically, this Act:

10 (1) Establishes the office of clean energy within the
11 department of business, economic development, and
12 tourism for administrative purposes only;

13 (2) Transfers the duties and responsibilities of the
14 energy resources coordinator, which are currently
15 assigned to the director of business, economic
16 development, and tourism, to the director of the
17 office of clean energy; and

18 (3) Transfers the functions of the state energy office to
19 the office of clean energy.



1 SECTION 2. Chapter 196, Hawaii Revised Statutes, is
2 amended by adding a new part to be appropriately designated and
3 to read as follows:

4 "PART . OFFICE OF CLEAN ENERGY

5 §196-A Office of clean energy; established. (a) There is
6 established the office of clean energy, within the department of
7 business, economic development, and tourism for administrative
8 purposes, to be responsible for advancing energy efficiency,
9 renewable energy, and clean transportation to help achieve a
10 resilient clean energy economy that sequesters more atmospheric
11 carbon and greenhouse gases than it produces as quickly as
12 practicable, but no later than 2045.

13 (b) The office of clean energy shall:

14 (1) Provide analysis and planning to actively develop and
15 inform policies to achieve clean energy goals and
16 energy resiliency at the legislature, public utilities
17 commission, and other relevant stakeholders;

18 (2) Lead efforts to incorporate energy efficiency and
19 renewable energy to reduce costs and achieve clean
20 energy goals across all public facilities;



1 (3) Provide clean energy project deployment facilitation
2 to assist private sector project completion when
3 aligned with state clean energy goals; and

4 (4) Engage the private sector to help lead efforts to
5 achieve clean energy goals through the Hawaii clean
6 energy initiative advisory board.

7 (c) The office of clean energy shall be the State's
8 primary government entity for supporting the clean energy
9 initiative.

10 (d) No later than twenty days prior to the convening of
11 each regular session, the office of clean energy shall submit a
12 report to the legislature that includes:

13 (1) A description of the activities of the office of clean
14 energy in response to the directives established
15 pursuant to subsection (b) and section 196-B(d), along
16 with the progress in meeting any of the office of
17 clean energy goals established in or pursuant to this
18 part;

19 (2) Progress by the State in meeting its clean energy
20 goals; and

21 (3) Proposed legislation, if any.



1 §196-B Director of the office of clean energy; duties.

2 (a) The office of clean energy shall be led by the director of
3 the office of clean energy appointed by the governor, subject to
4 confirmation by the senate; provided that the term of the
5 director of the office of clean energy shall be coterminous with
6 the term of the governor. The director of the office of clean
7 energy shall report directly to the governor.

8 (b) The director of the office of clean energy shall have:

9 (1) Training or experience in the field of renewable
10 energy or other another related field;

11 (2) Expertise in policy, programs, or services related to
12 renewable energy; and

13 (3) Experience in a supervisory or administrative
14 capacity.

15 (c) The director of the office of clean energy shall be
16 included in any benefit program generally applicable to officers
17 and employees of the State. The director of the office of clean
18 energy may hire staff as may be necessary in accordance with
19 chapter 76.

20 (d) Subject to the approval of the governor, the director
21 of the office of clean energy shall:



- 1 (1) Formulate plans, objectives, criteria to measure
2 accomplishment of objectives, programs through which
3 the objectives are to be attained, and financial
4 requirements for the optimum development of Hawaii's
5 energy resources in a manner that achieves Hawaii's
6 clean energy goals;
- 7 (2) Conduct systematic analysis of existing and proposed
8 energy resource programs, evaluate the analysis
9 conducted by government agencies and other
10 organizations, and recommend programs that represent
11 the most effective allocation of resources for the
12 development of energy resources in a manner that
13 achieves Hawaii's clean energy goals;
- 14 (3) Formulate and recommend specific proposals, as
15 necessary, for conserving energy resources, including
16 the allocation and distribution thereof;
- 17 (4) Assist public and private agencies in implementing
18 energy conservation and efficiency programs, the
19 development of indigenous energy resources, and
20 related measures;



- 1 (5) Coordinate the State's energy programs with those of
2 the federal government, other state governments,
3 governments of nations with interest in common energy
4 resources, and the political subdivisions of the
5 State;
- 6 (6) Develop programs to encourage private and public
7 exploration, research, and development of indigenous
8 energy resources that will benefit the State;
- 9 (7) Conduct public education programs to inform the public
10 of the energy resources situation, as it may exist,
11 from time to time and of the government actions taken;
- 12 (8) Serve as consultant to the governor, public agencies,
13 and private industry on energy-related matters;
- 14 (9) Contract for services when required for the
15 implementation of this chapter;
- 16 (10) Review proposed state actions that the director of the
17 office of clean energy finds to have significant
18 effect on the State's clean energy objectives and
19 report to the governor their effect on the energy
20 program, and perform other services as may be required
21 by the governor and the legislature;



- 1 (11) Prepare and submit reports as requested by the
2 governor or the legislature;
- 3 (12) Assist public and private agencies in identifying and
4 accessing data necessary to enable the development of
5 a competitive renewable energy market and technologies
6 in a manner that prioritizes resiliency and achieves
7 Hawaii's clean energy goals;
- 8 (13) Assist public and private agencies in identifying
9 projects or infrastructure required to accommodate and
10 facilitate the development of renewable energy
11 resources in a manner that prioritizes resiliency and
12 achieves Hawaii's clean energy goals;
- 13 (14) Assist public and private agencies, in coordination
14 with the department of budget and finance, in
15 accessing the use of special purpose revenue bonds to
16 finance the engineering, design, and construction of
17 transmission projects and infrastructure that are
18 deemed critical to the development of renewable energy
19 resources in a manner that prioritizes resiliency and
20 achieves Hawaii's clean energy goals;



1 (15) Develop the criteria or requirements for identifying
 2 and qualifying specific projects and infrastructure
 3 that are critical to the development of renewable
 4 energy resources, including providing assistance in
 5 accessing the use of special purpose revenue bonds to
 6 finance the projects or infrastructure;

7 (16) Develop and maintain a comprehensive and systematic
 8 quantitative and qualitative capacity to analyze the
 9 status of energy resources, systems, and markets, both
 10 in-state and those to which Hawaii is directly linked,
 11 particularly in relation to the State's economy, and
 12 to recommend, develop proposals for, and assess the
 13 effectiveness of policy and regulatory decisions, and
 14 conduct energy resiliency and emergency planning;

15 (17) Engage the general public and consider feedback as
 16 appropriate; and

17 (18) Adopt rules, pursuant to chapter 91, necessary to
 18 effectuate the purposes of this part."

19 SECTION 3. Section 196-1, Hawaii Revised Statutes, is
 20 amended to read as follows:



1 "§196-1 Findings and declaration of necessity. The
2 legislature finds that:

3 (1) The global demand for petroleum and its derivatives
4 has resulted in a significant and fundamental market
5 escalation in oil prices, has caused severe economic
6 hardships throughout the State, and threatens to
7 impair the public health, safety, and welfare.

8 The State of Hawaii, with its [~~near total~~]
9 significant dependence on imported fossil fuel, is
10 particularly vulnerable to dislocations in the global
11 energy market. This situation can be changed, as
12 there are few places in the world so generously
13 endowed with natural energy: geothermal, solar
14 radiation, ocean temperature differential, wind,
15 biomass, waves, and currents, [~~which~~] that are all
16 potential non-polluting power sources[+].

17 Renewable energy derived from these resources has
18 already begun to create new opportunities for jobs in
19 Hawaii and provide savings by avoiding the cost of
20 importing more expensive fossil fuels. The State is
21 also subject to the impacts of global climate change



1 caused by increasing atmospheric carbon and greenhouse
2 gas emissions that are contributing to rising sea
3 levels and loss of coastal lands and infrastructure,
4 ocean acidification and loss of coral reefs,
5 decreasing rainfall and fresh water resources,
6 increasing temperatures and invasive species, and
7 greater risk from hurricanes of higher intensity and
8 frequency.

9 It is therefore necessary to move beyond fossil-
10 fuel energy resources as quickly as is reasonably
11 practicable, while leveraging new jobs, opportunities,
12 and financing created by the potential to deploy
13 renewable energy and to sequester greenhouse gases and
14 atmospheric carbon, and achieve a resilient clean
15 energy economy that sequesters more atmospheric carbon
16 and greenhouse gas than it produces as quickly as
17 practicable, but no later than 2045;

18 (2) There is a real need for comprehensive strategic
19 planning in the effort towards achieving full use of
20 Hawaii's energy resources and the most effective
21 allocation of energy resources throughout the State.



1 Planning is necessary and desirable in order that the
2 State may recognize and declare the major problems and
3 opportunities in the field of energy resources. Both
4 short-range and long-range planning will permit the
5 articulation of:

6 (A) Broad policies, goals, and objectives;

7 (B) Criteria for measuring and evaluating
8 accomplishments of objectives;

9 (C) Identification and implementation of programs
10 that will carry out [~~such~~] the objectives; and

11 (D) A determination of requirements necessary for the
12 optimum development of Hawaii's energy resources.

13 [~~Such~~] The planning efforts will identify present
14 conditions and major problems relating to energy
15 resources, their exploration, development, production,
16 and distribution. It will show the projected nature
17 of the situation and rate of change, present
18 conditions for the foreseeable future based on a
19 projection of current trends in the development of
20 energy resources in Hawaii, and include initiatives
21 designed to fundamentally change how Hawaii consumes



1 energy by accelerating the production of renewable and
2 alternative energy, increasing energy efficiency,
3 developing and adopting new technologies, and ensuring
4 the State's energy security;

5 (3) The State requires an in-depth understanding of the
6 causes and effects of any transitional issues and
7 trends related to changes in the State's energy
8 resources, systems, and markets;

9 (4) There are many agencies of the federal, state, and
10 county governments in Hawaii, as well as many private
11 agencies and a broad set of [~~non-governmental~~]
12 nongovernmental entities, engaged in, or expressing an
13 interest in, various aspects of the exploration,
14 research, distribution, transportation, storage,
15 conservation, and production of all forms of energy
16 resources in Hawaii. Some of these agencies include
17 the University of Hawaii; the department of land and
18 natural resources; the department of business,
19 economic development, and tourism; the division of
20 consumer advocacy; the public utilities commission;
21 the state emergency management agency; the federal



1 energy office; and various county agencies, as well as
2 Hawaii's energy and energy-related companies; and
3 (5) There is an ongoing need in this State to coordinate
4 the efforts of statewide industry and government
5 energy interests; maintain the technical capability
6 and adequate capacity to quantitatively and
7 qualitatively evaluate, analyze, develop, and
8 coordinate implementation of private and public sector
9 energy planning efforts; recommend market-based
10 policies to develop Hawaii's energy resources,
11 systems, and markets; establish and coordinate
12 programs to preserve and protect the State's energy
13 security, maintain a robust energy emergency
14 preparedness program, and effectuate the conservation
15 of energy resources to provide for the equitable
16 distribution thereof; and to formulate plans for the
17 development and use of alternative energy sources.
18 There is a need for coordination, capability, and
19 capacity, so that there will be maximum conservation
20 and use of energy resources in the State."



1 SECTION 4. Section 196-10, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "[+]§196-10[+] Hawaii renewable hydrogen program. There
4 is established, within the [~~department of business, economic~~
5 ~~development, and tourism,~~] office of clean energy, a Hawaii
6 renewable hydrogen program to manage the State's transition to a
7 renewable hydrogen economy. The program shall design,
8 implement, and administer activities that include:

- 9 (1) Strategic partnerships for the research, development,
10 testing, and deployment of renewable hydrogen
11 technologies;
- 12 (2) Engineering and economic evaluations of Hawaii's
13 potential for renewable hydrogen use and near-term
14 project opportunities for the State's renewable energy
15 resources;
- 16 (3) Electric grid reliability and security projects that
17 will enable the integration of a substantial increase
18 of electricity from renewable energy resources on the
19 island of Hawaii;



- 1 (4) Hydrogen demonstration projects, including
- 2 infrastructure for the production, storage, and
- 3 refueling of hydrogen vehicles;
- 4 (5) A statewide hydrogen economy public education and
- 5 outreach plan focusing on the island of Hawaii, to be
- 6 developed in coordination with Hawaii's public
- 7 education institutions;
- 8 (6) Promotion of Hawaii's renewable hydrogen resources to
- 9 potential partners and investors;
- 10 (7) A plan, for implementation during the years 2007 to
- 11 2010, to more fully deploy hydrogen technologies and
- 12 infrastructure capable of supporting the island of
- 13 Hawaii's energy needs, including:
- 14 (A) Expanded installation of hydrogen production
- 15 facilities;
- 16 (B) Development of integrated energy systems,
- 17 including hydrogen vehicles;
- 18 (C) Construction of additional hydrogen refueling
- 19 stations; and
- 20 (D) Promotion of building design and construction
- 21 that fully incorporates clean energy assets,



- 1 including reliance on hydrogen-fueled energy
2 generation;
- 3 (8) A plan, for implementation during the years 2010 to
4 2020, to transition the island of Hawaii to a
5 hydrogen-fueled economy and to extend the application
6 of the plan throughout the State; and
- 7 (9) Evaluation of policy recommendations to:
- 8 (A) Encourage the adoption of hydrogen-fueled
9 vehicles;
- 10 (B) Continually fund the hydrogen investment capital
11 special fund; and
- 12 (C) Support investment in hydrogen infrastructure,
13 including production, storage, and dispensing
14 facilities."

15 SECTION 5. Section 196-30, Hawaii Revised Statutes, is
16 amended by amending subsection (b) to read as follows:

17 "(b) Public buildings shall be retro-commissioned no less
18 often than every five years. The energy resources coordinator
19 shall establish retro-commissioning guidelines by January 1,
20 2010. The director of the office of clean energy shall update
21 the retro-commissioning guidelines as necessary."



1 SECTION 6. Section 304A-1891, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

3 "(b) The director of the institute shall coordinate the
4 institute's work with the [~~energy resources coordinator~~]
5 director of the office of clean energy in carrying out duties
6 pursuant to section [~~196-4~~] 196-B in the area of research and
7 development of renewable energy sources."

8 SECTION 7. Section 196-2, Hawaii Revised Statutes, is
9 amended by repealing the definition of "coordinator".

10 [~~"Coordinator" means the energy resources coordinator."~~]

11 SECTION 8. Section 196-3, Hawaii Revised Statutes, is
12 repealed.

13 [~~"§196-3 Energy resources coordinator. The director of
14 business, economic development, and tourism shall serve as
15 energy resources coordinator."~~]

16 SECTION 9. Section 196-4, Hawaii Revised Statutes, is
17 repealed.

18 [~~"§196-4 Powers and duties. Subject to the approval of
19 the governor, the coordinator shall:~~

20 (1) ~~Formulate plans, including objectives, criteria to
21 measure accomplishment of objectives, programs through~~



- 1 ~~which the objectives are to be attained, and financial~~
2 ~~requirements for the optimum development of Hawaii's~~
3 ~~energy resources;~~
- 4 ~~(2) Conduct systematic analysis of existing and proposed~~
5 ~~energy resource programs, evaluate the analysis~~
6 ~~conducted by government agencies and other~~
7 ~~organizations and recommend programs that represent~~
8 ~~the most effective allocation of resources for the~~
9 ~~development of energy resources;~~
- 10 ~~(3) Formulate and recommend specific proposals, as~~
11 ~~necessary, for conserving energy resources, including~~
12 ~~the allocation and distribution thereof;~~
- 13 ~~(4) Assist public and private agencies in implementing~~
14 ~~energy conservation and efficiency programs, the~~
15 ~~development of indigenous energy resources, and~~
16 ~~related measures;~~
- 17 ~~(5) Coordinate the State's energy programs with those of~~
18 ~~the federal government, other state governments,~~
19 ~~governments of nations with interest in common energy~~
20 ~~resources, and the political subdivisions of the~~
21 ~~State;~~



- 1 ~~(6) Develop programs to encourage private and public~~
2 ~~exploration, research, and development of indigenous~~
3 ~~energy resources that will benefit the State;~~
- 4 ~~(7) Conduct public education programs to inform the public~~
5 ~~of the energy resources situation, as it may exist,~~
6 ~~from time to time and of the government actions taken;~~
- 7 ~~(8) Serve as consultant to the governor, public agencies,~~
8 ~~and private industry on energy related matters;~~
- 9 ~~(9) Contract for services when required for the~~
10 ~~implementation of this chapter;~~
- 11 ~~(10) Review proposed state actions that the coordinator~~
12 ~~finds to have significant effect on the State's energy~~
13 ~~objectives and report to the governor their effect on~~
14 ~~the energy program, and perform other services as may~~
15 ~~be required by the governor and the legislature;~~
- 16 ~~(11) Prepare and submit an annual report and other reports~~
17 ~~as may be requested to the governor and to the~~
18 ~~legislature on the implementation of this chapter and~~
19 ~~all matters related to energy resources;~~
- 20 ~~(12) Formulate a systematic process, including the~~
21 ~~development of requirements, to identify geographic~~



- 1 ~~areas that are rich with renewable energy resource~~
2 ~~potential that can be developed in a cost effective~~
3 ~~and environmentally benign manner and designate these~~
4 ~~areas as renewable energy zones;~~
- 5 ~~(13) Develop and recommend incentives, plans, and programs~~
6 ~~to encourage the development of renewable energy~~
7 ~~resource projects within the renewable energy zones;~~
- 8 ~~(14) Assist public and private agencies in identifying~~
9 ~~utility transmission projects or infrastructure~~
10 ~~required to accommodate and facilitate the development~~
11 ~~of renewable energy resources;~~
- 12 ~~(15) Assist public and private agencies, in coordination~~
13 ~~with the department of budget and finance, in~~
14 ~~accessing the use of special purpose revenue bonds to~~
15 ~~finance the engineering, design, and construction of~~
16 ~~transmission projects and infrastructure that are~~
17 ~~deemed critical to the development of renewable energy~~
18 ~~resources;~~
- 19 ~~(16) Develop the criteria or requirements for identifying~~
20 ~~and qualifying specific transmission projects and~~
21 ~~infrastructure that are critical to the development of~~



1 ~~renewable energy resources, including providing~~
2 ~~assistance in accessing the use of special purpose~~
3 ~~revenue bonds to finance the projects or~~
4 ~~infrastructure;~~

5 ~~(17) Develop and maintain a comprehensive and systematic~~
6 ~~quantitative and qualitative capacity to analyze the~~
7 ~~status of energy resources, systems, and markets, both~~
8 ~~in state and those to which Hawaii is directly tied,~~
9 ~~particularly in relation to the State's economy, and~~
10 ~~to recommend, develop proposals for, and assess the~~
11 ~~effectiveness of policy and regulatory decisions, and~~
12 ~~conduct energy emergency planning; and~~

13 ~~(18) Adopt rules for the administration of this chapter~~
14 ~~pursuant to chapter 91."]~~

15 SECTION 10. Sections 76-16, 107-22, and 304A-1959, Hawaii
16 Revised Statutes, are amended by substituting the term "office
17 of clean energy" wherever the term "state energy office" or
18 "Hawaii state energy office" appears, as the context requires.

19 SECTION 11. Sections 125C-22, 125C-23, 125C-31, 141-9,
20 196-5, 196-6.5, 196-11, 196-30(a), 196-63, 206M-23, 286-172,
21 304A-1892, and 304A-1894.1, Hawaii Revised Statutes, are amended



1 by substituting the term "director of the office of clean
2 energy" wherever the term "state energy resources coordinator",
3 "energy resources coordinator", "coordinator", or "energy
4 program administrator of the department" appears, as the context
5 requires.

6 SECTION 12. All rights, powers, functions, and duties of
7 the state energy office are transferred to the office of clean
8 energy.

9 All employees who occupy civil service positions and whose
10 functions are transferred to the office of clean energy by this
11 Act shall retain their civil service status, whether permanent
12 or temporary. Employees shall be transferred without loss of
13 salary, seniority (except as prescribed by applicable collective
14 bargaining agreements), retention points, prior service credit,
15 any vacation and sick leave credits previously earned, and other
16 rights, benefits, and privileges, in accordance with state
17 personnel laws and this Act; provided that the employees possess
18 the minimum qualifications and public employment requirements
19 for the class or position to which transferred or appointed, as
20 applicable; provided further that subsequent changes in status



1 may be made pursuant to applicable civil service and
2 compensation laws.

3 Any employee who, prior to this Act, is exempt from civil
4 service and is transferred as a consequence of this Act may
5 retain the employee's exempt status, but shall not be appointed
6 to a civil service position as a consequence of this Act. An
7 exempt employee who is transferred by this Act shall not suffer
8 any loss of prior service credit, vacation or sick leave credits
9 previously earned, or other employee benefits or privileges as a
10 consequence of this Act; provided that the employee possesses
11 legal and public employment requirements for the position to
12 which transferred or appointed, as applicable; provided further
13 that subsequent changes in status may be made pursuant to
14 applicable employment and compensation laws. The director of
15 business, economic development, and technology may prescribe the
16 duties and qualifications of these employees and fix their
17 salaries without regard to chapter 76, Hawaii Revised Statutes.

18 SECTION 13. All appropriations, records, equipment,
19 machines, files, supplies, contracts, books, papers, documents,
20 maps, and other personal property heretofore made, used,
21 acquired, or held by the state energy office relating to the



1 functions transferred to the office of clean energy shall be
2 transferred with the functions to which they relate.

3 SECTION 14. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$ or so much
5 thereof as may be necessary for fiscal year 2018-2019 for:

6 (1) Reorganizing the state energy office into the office
7 of clean energy; and

8 (2) Commencing the duties of the office of clean energy.

9 The sum appropriated shall be expended by the department of
10 business, economic development, and tourism for the purposes of
11 this Act.

12 SECTION 15. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 16. This Act shall take effect upon its approval;
15 provided that section 14 shall take effect on July 1, 2018.



Report Title:

Office of Clean Energy; DBEDT; State Energy Resources
Coordinator; State Energy Office; Appropriation

Description:

Establishes the Office of Clean Energy to assume the duties of
the energy resources coordinator, presently the director of the
Department of Business, Economic Development, and Tourism.
Transfers the functions of the State Energy Office to the Office
of Clean Energy. Appropriates moneys. (HB2724 HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is
not legislation or evidence of legislative intent.*



HB 2724

HD 1

TESTIMONY



**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 LABOR AND PUBLIC EMPLOYMENT

Tuesday, February 13, 2018
9:45 a.m.
State Capitol, Conference Room 309

in consideration of
HB2724, HD1
RELATING TO STATE ENERGY AGENCIES.

Chair Johanson, Vice Chair Holt, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) offers **comments** on HB2724, HD1, which establishes an Office of Clean Energy to assume the duties of the Energy Resources Coordinator, overseen by a governor-appointed director.

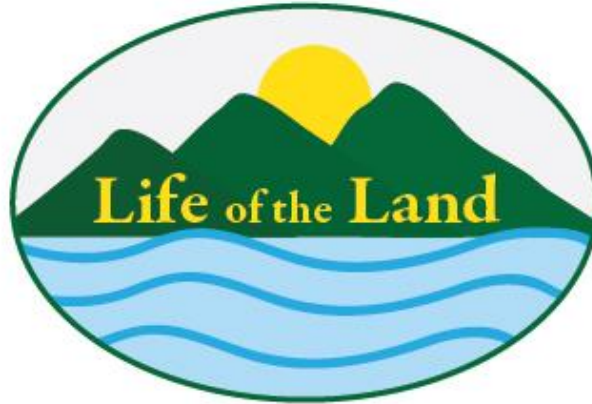
DBEDT appreciates the bill for bringing attention to both the important connection between energy and the economy in Hawaii and the resources needed to foster collaboration between the government and other energy sector stakeholders.

However, DBEDT has concerns about the timeframe for implementation of Fiscal year 2018-2019, since this may not be enough time to appoint a director and complete reorganization of the office as necessary.

DBEDT also has concerns about the funding source for an additional position in the Office of Clean Energy. The current appropriation is for the reorganization and commencement of the Office of Clean Energy, but there is no mention of future funding for an additional position after FY18-19.

Additionally, DBEDT has concerns that the time and resources required by current DBEDT staff to reorganize the energy office may not be adequate. Both of these concerns would adversely impact priorities indicated in our Executive Budget.

Thank you for the opportunity to offer testimony on HB2724, HD1.



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Phone: 927-0709 henry.lifeoftheland@gmail.com

COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Rep. Aaron Ling Johanson, Chair

Rep. Daniel Holt, Vice Chair

Tuesday, February 13, 2018

9:45 AM

Conference Room 309

HB2724 HD1 Renaming the State Energy Office

STRONG CONCERNS

Aloha Chair Johanson, Vice Chair Holt, and Members of the Committee

Life of the Land is Hawai`i's own energy, environmental and community action group advocating for the people and `aina for 47 years. Our mission is to preserve and protect the life of the land through sound energy and land use policies and to promote open government through research, education, advocacy and, when necessary, litigation.

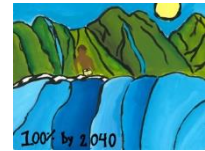
HB2724 is the comprehensive bill to replace the Hawai`i State Energy Office with the Office of Clean Energy (OEC). **The bill renames the Titanic and shuffles desk chairs on a sinking boat.**

The bill has some good points: the head of the entity must be confirmed by the Senate. Fossil fuels and greenhouse gases are linked. There is discussion on greenhouse gas sequestration.

The bill has problems. It discusses eliminating fossil fuels, but state law does not define fossil fuels. The bill promotes clean energy, which under state law, includes high-greenhouse-gas-emitting "renewable" energy fuels. OEC shall serve governments, utilities and industry BUT not community members who have reasonable concerns. Community input is missing.

Mahalo,

Henry Curtis
Executive Director



HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

February 13, 2018, 9:45 A.M.

Room 309

(Testimony is 2 pages long)

TESTIMONY IN SUPPORT OF HB 2724 HD1

Aloha Chair Johanson, Vice Chair Holt, and members of the Committee:

Blue Planet Foundation **supports** HB 2724 HD1, establishing the Office of Clean Energy to assume the duties of the current energy resources coordinator and providing new direction and objectives for the office.

Blue Planet recognizes that the energy landscape has shifted dramatically since the State Energy Office was first established in 1974. We understand the value in redefining the role of the office and elevating the head of the office to a Senate-confirmed director position. We also fully support the new objective for the office to set Hawaii on a course to become carbon neutral (or negative) by 2045.

Blue Planet believes that the legislature should go further, however, and create a separate energy authority to oversee and accelerate all aspects of Hawaii's transition to 100% renewable energy.

We envision that this energy authority—akin to the California Energy Commission and similarly structured to the Hawaii Tourism Authority—would be empowered to drive Hawaii's clean energy transformation. Ideally the new energy authority would have dedicated funding from the existing barrel tax, be exempt from civil service and procurement restraints, and be directed by an independent, appointed board. The energy authority would work to advance innovation, break down institutional and other barriers to clean energy progress, and work to position Hawaii as a global leader in energy and climate solutions (across all energy sectors).

In addition to the tasks currently assigned to the State Energy Office, the energy authority would be charged with:

- state energy resiliency planning and preparedness;
- policy and technical planning and energy scenario analytic work;
- data collection, access, and sharing;

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- partnership development, energy business interest management, and showcasing progress;
- coordination of public agency energy efficiency, renewable energy, and clean transportation programs;
- catalyzing innovation and developing testbed opportunities;
- policy and technology consultant to other state agencies, including the Public Utilities Commission; and
- other activities in service of advancing our clean energy and climate goals.

Energy decisions affect nearly every aspect of the state's economy and residents' lives. Hawaii needs an elevated, effective office to oversee Hawaii's transition to a clean energy economy.

Blue Planet Foundation would welcome the opportunity to work with these committees and other members of the legislature to develop such an energy authority for Hawaii.

Thank you for the opportunity to testify.

HB-2724-HD-1

Submitted on: 2/12/2018 8:15:32 AM

Testimony for LAB on 2/13/2018 9:45:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	OCC Legislative Priorities	Support	No

Comments:



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

HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT

Tuesday, February 13, 2018 9:45AM Conference Room 309

In SUPPORT of HB 2724 HD1 Relating to state energy agencies

Aloha Chair Johanson, Vice Chair Holt and members of the Labor Committee,

On behalf of our 20,000 members and supporters, the Sierra Club of Hawai'i, a member of the Common Good Coalition, **strongly supports HB 2724 HD1**. This bill seeks to establish the Office of Clean Energy.

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 agency dedicated to fulfilling on our commitments and goals on clean energy. Establishing the Office of Clean Energy would facilitate Hawai'i's transition to a clean energy economy by re-tooling the current State Energy Office with a stronger mission, more efficient structure, and specific funding.

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 a strong state agency committed to advancing this mission.

Thank you very much for this opportunity to provide testimony in **strong support of HB 2724 HD1**.

HB-2724-HD-1

Submitted on: 2/11/2018 10:57:04 AM

Testimony for LAB on 2/13/2018 9:45:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Fern Anuenue Holland	'Ohana O Kaua'i	Support	No

Comments:

Help Hawai'i build a resilient clean energy economy that takes in more carbon than it produces.

HB 2724

HD 1

**LATE
TESTIMONY**



Written Statement of
Elemental Excelerator
before the
House Committee on Labor & Public Employment
Tuesday, February 13, 2018
9:45 AM
State Capitol, Conference Room 309

In consideration of
HB2724 – HD1
RELATING TO STATE ENERGY AGENCIES

Aloha Chair Johanson, Vice Chair Holt, and Members of the Committee on Labor & Public Employment,

Elemental Excelerator respectfully submits our strong support of HB2724 that establishes and appropriates funds to the Office of Clean Energy to support the public and private sectors in achieving the State’s energy goals.

Elemental Excelerator is a Honolulu-based growth accelerator program founded and operating in Hawaii. We have awarded \$22 million to 63 companies and 35 demonstration projects in Hawaii & Asia Pacific. Each year, we select 12-15 companies that best fit our mission and fund each company up to \$1 million. Our selection process is competitive – we accept about 5% of our applicants each year. We recruit entrepreneurs from around the world to come to Hawaii and work on energy, transportation, water, and agriculture challenges to help us achieve our 100% clean energy goals.

We strongly support HB2724 for the following reasons:

- 1) The State Energy Office has played a central role in helping to build a resilient clean energy economy, but with increasing complexities and more participants across sectors working toward meeting our 100% clean energy target by 2045, it is evident that we need a state agency with a clear mandate that can coordinate these efforts. By establishing an Office of Clean Energy with a clear mission and guidance, reporting transparency and accountable leadership, the State can more effectively advance their energy efficiency, renewable energy and clean transportation goals.
- 2) The Clean Energy Office can help attract the most innovative and competitive energy businesses to Hawaii by providing critical and efficient services with clear guidance on project development and permitting. By excelling at these services, Hawaii will remain attractive to businesses looking to deploy and scale their technology and will ultimately increase local jobs.

- 3) With a pathway to our goal of 100% clean energy, states nationwide and globally look toward Hawaii as a leader. Hawaii's economic conditions and strong leadership in building diverse and distributed clean power sources will enable the state to attract top-tier clean energy companies.

Mahalo for the opportunity to provide testimony on this bill.

HB-2724-HD-1

Submitted on: 2/12/2018 4:16:54 PM

Testimony for LAB on 2/13/2018 9:45:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Benton Kealii Pang, Ph.D.	Individual	Support	No

Comments:

LATE

HB-2724-HD-1

Submitted on: 2/12/2018 7:40:01 PM

Testimony for LAB on 2/13/2018 9:45:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kathy Shimata	Individual	Support	No

Comments:

Our future is renewable energy. Let's focus on making it happen.

LATE