



# DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE  
GOVERNOR

LUIS P. SALAVERIA  
DIRECTOR

MARY ALICE EVANS  
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813  
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804  
Web site: [www.hawaii.gov/dbedt](http://www.hawaii.gov/dbedt)

Telephone: (808) 586-2355  
Fax: (808) 586-2377

Statement of  
**LUIS P. SALAVERIA**  
Director  
Department of Business, Economic Development, and Tourism  
before the  
**HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION**

Thursday, April 12, 2018  
11:20 a.m.  
State Capitol, Conference Room 325

in consideration of  
**SCR 91, SD 1**  
**REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT,  
AND TOURISM TO REPORT TO THE LEGISLATURE ON HOW TO INCORPORATE  
RENEWABLE FUELS INTO THE HAWAII CLEAN ENERGY INITIATIVE.**

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

The Department of Business, Economic Development & Tourism (DBEDT) **offers comments** on SCR 91, SD1, requesting DBEDT to evaluate and report to the Legislature on how renewable fuels, including biogas and gases from renewable and sustainable sources, can play a role in achieving the Hawaii Clean Energy Initiative's (HCEI) goal of 100% renewable energy by 2045.

DBEDT thanks the Legislature for its interest in supporting the attainment of our State's goal of 100% renewable portfolio standards (RPS) by 2045. However, DBEDT believes it would be premature to conduct additional evaluation on how renewable fuels can play a role in achieving 100% RPS by 2045 at this juncture based on the following:

- The existing renewable portfolio standards (RPS) under Hawaii Revised Statutes 269-91 Part V already accounts for biogas, biofuels and biomass in meeting our State's goal of 100% RPS by 2045. As an example, Hawaii Gas already has embarked on turning raw biogas from the City and County of Honolulu's Honouliuli Wastewater Treatment Plant into useable renewable gas. Any such gas used to generate grid-connected electricity would count towards our State's RPS.
- On July 14, 2017, the Public Utilities Commission (PUC) approved the Hawaiian Electric Companies' Power Supply Improvement Plan (PSIP). The PSIP was a significant, multi-year engagement between the Hawaiian Electric Companies, key stakeholders, and DBEDT, that yielded near-term action plans and long-range

analysis for evaluating operational decisions and resource acquisition alternatives in an effort to achieve our 100% RPS goal. **It is important to note that the use of renewable fuels has been strategically factored into the Hawaiian Electric Companies' PSIP.**

- Given the intensive planning, analysis, and approval of the PSIP and the formal structure for which the Hawaiian Electric Companies will execute, DBEDT recommends that the Hawaiian Electric Companies be given the time and opportunity to execute the approved PSIP.

Thank you for the opportunity to offer these comments.

**SCR-91-SD-1**

Submitted on: 4/11/2018 6:46:46 AM

Testimony for EEP on 4/12/2018 11:20:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Melodie Aduja	Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i	Support	No

Comments:

To the Honorable Chris Lee, Chair; to the Honorable Nicole E. Lowen, Vice Chair; and the Members of the Committee on Energy & Environmental Protection:

Good morning. My name is Melodie Aduja. I serve as Chair of the Oahu County Committee ("OCC") Legislative Priorities Committee of the Democratic Party of Hawaii. Thank you for the opportunity to provide written testimony on **SCR91 SD1** relating to the Hawaii Clean Energy Initiative's goal of one hundred percent renewable energy.

The OCC Legislative Priorities Committee is in favor of **SCR91 SD1** and strongly supports its passage.

**SCR91 SD1** is in accord with the Democratic Platform as it requests the Department of Business, Economic Development, and Tourism to evaluate the role of renewable fuels in the Hawaii Clean Energy Initiative's goal of one hundred percent renewable energy.

The DPH Platform states that: "We seek to achieve energy sustainability based on renewable energy sources. We must encourage the use of clean alternative fuel sources to include our public transportation systems. We must increase the use of public transit, telecommuting, car and vanpooling, ridesharing, biking, walking, and other forms of transportation thereby reducing traffic congestion and air pollution. We must also urgently develop the use of a variety of cost-effective energy providing systems, encourage transit-oriented development, and support tax incentives that encourage renewable energy initiatives." (Platform of the DPH, PP. 8-9, Lines 443-448 (2016)).

"We support energy independence, self-sufficiency, affordability and reliability for Hawai'i through the development of renewable alternative energy sources. Specifically, we need to support policies that foster the development of energy production methods

that de-emphasize carbon based fuels and promote renewable sources such as wind, solar, wave, geothermal and Ocean Thermal Energy Conversion (OTEC).

Electricity rates in Hawaii are among the highest in the nation despite the fact that we enjoy an abundance of sunshine year round. Electric utility companies and cooperatives must open the grid to alternative power sources including solar panels and geothermal energy. We support the effort of our government officials to require utilities to provide for the maximum, comprehensive, integrated use of renewable energy and associated technologies such as storage and smart grid technologies." (Platform of the DPH, P.9, Lines 452-462 (2016)).

Given that **SCR91 SD1** requests the Department of Business, Economic Development, and Tourism to evaluate the role of renewable fuels in the Hawaii Clean Energy Initiative's goal of one hundred percent renewable energy, it is the position of the OCC Legislative Priorities Committee to strongly support this measure.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ Melodie Aduja

Melodie Aduja, Chair, OCC on Legislative Priorities

Email: legislativepriorities@gmail.com, Text/tel.: (808) 258-8889



Email: [communications@ulupono.com](mailto:communications@ulupono.com)

HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION  
Thursday, April 12, 2018 — 11:20 a.m. — Room 325

**Ulupono Initiative Strongly Supports SCR 91 SD 1, Requesting the Department of Business, Economic Development, and Tourism to Report to the Legislature on How to Incorporate Renewable Fuels into the Hawaii Clean Energy Initiative**

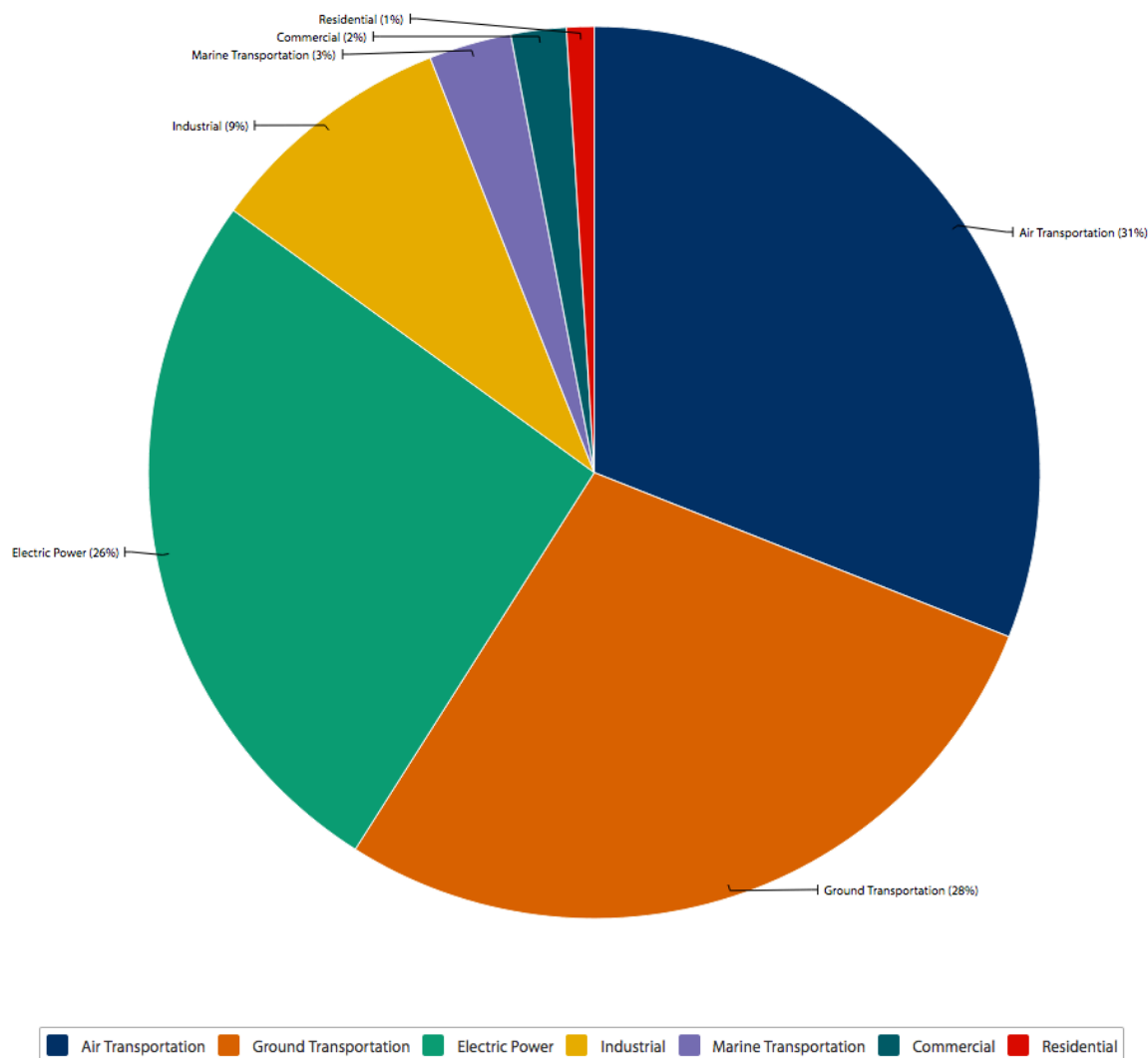
Dear Chair Lee, Vice Chair Lowen, and Members of the Committee:

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 strongly supports SCR 91 SD 1**, which requests the Department of Business, Economic Development, and Tourism to report on how to incorporate renewable fuels into the Hawai'i Clean Energy Initiative, 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.

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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.

It has been difficult for all of the necessary stakeholders to agree 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.



If the Department of Business, Economic Development, and Tourism is able to create a plan on how to incorporate more renewable fuels, this can provide a blueprint for all stakeholders to follow.

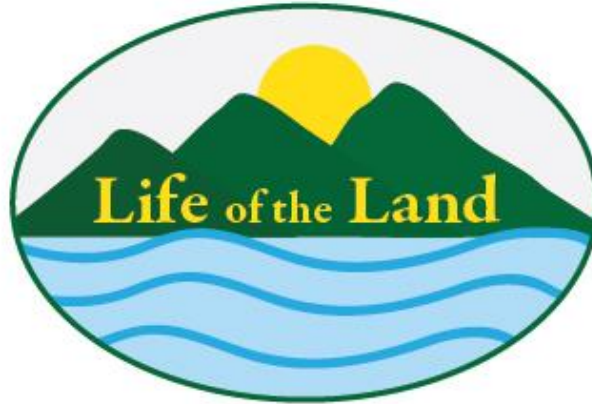
As Hawai'i's energy issues become more complex and challenging, we appreciate this committee's efforts to look at policies that support renewable energy production.

Thank you for this opportunity to testify.

Respectfully,

Murray Clay  
Managing Partner

**LATE**



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

COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Rep. Chris Lee, Chair

Rep. Nicole E. Lowen, Vice Chair

April 12, 2018

11:20 a.m.

Room 325

SCR 91 Renewable Fuels

STRONG CONCERNS

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

**Agricultural Fuels can be as beneficial as reusing waste oil, to as dangerous as chopping down tropical rainforests to grow crops which are converted to biofuel using dirty coal.**

**PLEASE restrict renewable fuels to fuels with "low lifecycye greenhouse gas emissions"**

Mahalo

Henry Curtis  
Executive Director



**SCR-91-SD-1**

Submitted on: 4/10/2018 4:18:38 PM

Testimony for EEP on 4/12/2018 11:20:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Sarah Toole	Individual	Support	No

Comments:

My name is Sarah Toole, my address is 1128 Ala Napunani St. 96818, and I am a political science student at UH Manoa.

I support this bill.