

DAVID Y. IGE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the Senate Committees on
HIGHER EDUCATION
and
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM**

**Friday, March 15, 2019
3:15 PM
State Capitol, Conference Room 414**

**In consideration of
HOUSE BILL 1584, HOUSE DRAFT 2
RELATING TO CARBON EMISSIONS**

House Bill 1584, House Draft 2 proposes to appropriate funds for a comprehensive study of a carbon tax to help policymakers better understand the opportunities, impacts, and options that a carbon price policy could bring to Hawaii. **The Department of Land and Natural Resources (Department) supports this measure provided that its passage does not replace or adversely impact priorities indicated in the Executive Supplemental Budget request.**

The Department supports the introduction of this measure which proposes to appropriate funds for a comprehensive study of a carbon tax to help policymakers better understand the opportunities, impacts, and options that a carbon price policy could bring to Hawaii, in support of the Hawaii Climate Change Mitigation and Adaptation Commission's statement endorsing a price on carbon, issued on November 27, 2018.

The Department also supports the amendments as they closely involve the Hawaii Climate Change Mitigation and Adaptation Commission in the study recommended in this measure, and will help make the study's outcomes more relevant to the overall mission of the State to develop a sustainable and equitable way to reduce its greenhouse gas emissions.

The Department co-chairs the State's Climate Change Commission and is grateful for including the Commission in expanded consultation regarding the scoping of the study, in reporting at the Commission's quarterly meetings, and by working with its informal and permitted interaction groups, to make the study as relevant as possible to State climate change goals.

Thank you for the opportunity to comment on this measure.

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
FIRST DEPUTY

M. KALEO MANUEL
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Higher Education
and
Senate Committee Energy, Economic Development and Tourism
Friday, March 15, 2019 at 3:15 p.m.
By
Vassilis L. Syrmos, Vice President for Research and Innovation
University of Hawai'i System

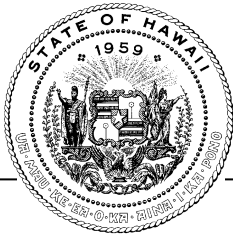
HB 1584 HD2 – RELATING TO CARBON EMISSIONS

Chairs Kim and Wakai, Vice Chairs Kidani and Taniguchi, and Members of the Committees:

The University of Hawai'i (UH) supports the intent of this measure that calls for a comprehensive study of a statewide carbon tax as a possible means of weaning the state off its dependency on fossil fuels and transitioning it toward clean energy sources.

While UH is staffed with the necessary researchers and specialist knowledgeable in the areas that need to be explored under this proposed tax, such a complex, multi-faceted study must be adequately funded by the State to ensure that UH can deliver accurate and comprehensive reports required by the Legislature. The University of Hawai'i is in support of the intent of this measure as long as the legislative appropriation to be considered is made in addition to UH's Biennium Budget Request.

Thank you for the opportunity to testify on this measure.



OFFICE OF PLANNING STATE OF HAWAII

DAVID Y. IGE
GOVERNOR

DIRECTOR
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Statement of
LEO R. ASUNCION
Planning Program Administrator, Office of Planning
before the
**SENATE COMMITTEES ON HIGHER EDUCATION AND ENERGY,
ECONOMIC DEVELOPMENT, AND TOURISM**

Friday, February 15, 2019

3:15 PM

State Capitol, Conference Room 414

in consideration of
HB 1584, HD 2
RELATING TO CARBON EMISSIONS.

Chairs Kim and Wakai, Vice Chairs Kidani and Taniguchi, and Members of the Senate Committees on Higher Education and Energy, Economic Development, and Tourism.

The Office of Planning offers **comments** on House Bill 1584, HD 2 to appropriate funds to the University of Hawaii to conduct a comprehensive study of a statewide carbon tax.

The Office of Planning notes that the United Nations Framework Convention on Climate Change (UNFCCC) defines “carbon pricing” as pricing mechanisms taking on multiple forms aimed to create a price signal on greenhouse gas (GHG) emissions. Carbon pricing curbs GHG emissions by placing a fee on and/or offering an incentive for emitting less greenhouse gases. This is achieved by the following carbon pricing mechanisms:

- 1) An Emission Trading System (ETS):
 - a. Through a Compliance Carbon Offset Market: Also known as “cap and trade,” a market-based approach by controlling pollution by providing economic incentives for achieving reductions in the emissions of greenhouse gases (GHGs) or Carbon Dioxide. This sets a limit (the cap) on the GHG emissions that can be emitted. Entities covered by the ETS need to hold one emission unit (“carbon credit”) for each metric ton of GHG or Carbon Dioxide emitted, but entities have the flexibility of selling and buying carbon credits. The total number of carbon credits reflects the size of the cap in the ETS, under this approach, the price on carbon will depend on the balance between demand (the total emissions) and the supply (the carbon credits allocated and available).

- b. Through a Voluntary Carbon Offset Market: These voluntary carbon offset markets function outside of the compliance market. They enable businesses, governments, NGOs, and individuals to offset their emissions by purchasing carbon credits that were created through the carbon markets. Buyers and sellers can also use an exchange platform to trade, which is like a stock exchange for carbon credits. The quality of the credits is based in part on the validation process and sophistication of the fund or development company that acted as the sponsor to the carbon project. Compared to the compliance market, trading volumes in the voluntary market are much smaller because demand is created only by voluntary buyers (corporations, institutions and individuals) to buy carbon credits whereas in a compliance market, demand is created by a regulatory instrument.
- 2) Emission Reduction Funds: Taxpayer funded programs in which a government buys carbon credits created by emission reduction projects. Currently, an Emissions Reduction Fund is operational in Australia; and
 - 3) Carbon Tax: A tax on fossil fuel usage to create a price signal felt across an entire economy, thereby incentivizing a move away from carbon-intensive production.

The Office of Planning is currently investigating and establishing a State-administered Carbon Offset Program in partnership with the Greenhouse Gas Sequestration Task Force, pursuant to Hawaii Revised Statutes (HRS) § 225P-6, (Act 16, Session Laws of Hawaii 2018).

The Office of Planning is presently tasked by HRS § 225P-6 to provide expertise in carbon offsetting to public agencies and private entities and assists in coordinating carbon offset projects of public agencies, including but not limited to the generation, certification, and marketing of carbon credits. HRS § 225P-6 further requires that the proceeds and revenues generated by State departments from sales of carbon offset credits to be deposited into suitable funds particularly for reinvestment to generate further carbon offset credits; provided that the funds are used in accordance with the purposes of the fund; or allows for proceeds and revenues generated by State agencies from sales of carbon credits other than as described in the abovementioned requirement to be invested in projects enhancing the State's efforts to mitigate or adapt to climate change and are consistent with the State's sustainability goals and policies.

In accordance with HRS § 225P-6, the Office of Planning will be providing a report of its findings and recommendations, including any proposed legislation, to the Legislature and the Climate Change Mitigation and Adaptation Commission no later than twenty days prior to the convening of the Regular Session of 2020.

Thank you for the opportunity to offer comments on HB 1584, HD 2.



Email: communications@ulupono.com

SENATE COMMITTEES ON HIGHER EDUCATION AND ENERGY, ECONOMIC
DEVELOPMENT, & TOURISM

Friday, March 15, 2019 — 3:15 p.m. — Room 414

Ulupono Initiative Supports HB 1584 HD 2, Relating to Carbon Emissions

Dear Chair Kim, Vice Chair Kidani, Chair Wakai, Vice Chair Taniguchi, and Members of the Committees:

My name is Murray Clay and I am Managing Partner of the Ulupono Initiative, a Hawai'i-based impact investment firm that strives to improve the quality of life for the people of Hawai'i by working toward solutions that create more locally produced food; increase affordable, clean, renewable energy; and better manage waste and fresh water resources. 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 1584 HD 2, which conducts a study of a statewide carbon tax, because it aligns with our goal of reducing fuel use in Hawai'i.

A carbon tax would provide a major financial incentive for businesses and residents to keep their carbon emissions to a minimum. An October 2018 United Nations report estimated that governments would need to impose effective carbon prices of \$135 to \$5,500 per ton of carbon dioxide pollution by 2030 to keep overall global warming below 1.5-degrees Celsius or 2.7-degrees Fahrenheit.

If global warming continues at its current rate, Hawai'i can expect an increase in the frequency and intensity of hurricanes that could devastate our islands. The Hawai'i Climate Change Mitigation and Adaptation Commissions' report on sea-level rise estimated \$19 billion in economic loss from chronic flooding, affecting more than 25,800 acres and 19,800 people.¹

A carbon tax may also provide the State with financial resources to enact further environmental initiatives or could provide tax relief to taxpayers. Such approaches can reduce or avoid net tax increases to the taxpayer while still providing strong incentives to switch to less carbon intensive electricity and transportation options. The Commissions' commitment to an equitable and contextually appropriate solution for Hawai'i while also

¹ <http://www.hawaiinewsnow.com/2018/09/20/hawaii-study-impacts-sea-level-rise-already-being-felt-it-will-only-get-worse/>

Investing in a Sustainable Hawai'i



changing behavior is critically important.

This proposed study is a good first step toward identifying the best carbon tax design in Hawai'i to meet these important goals. Thank you for this opportunity to testify.

Respectfully,

Murray Clay
Managing Partner



Healthy Climate
Communities

Testimony in support of HB1584 HD2

**COMMITTEE ON HIGHER EDUCATION
COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT AND TOURISM**

Hearing Friday, March 15, 2019 3:15 p.m.

Aloha Chairs Kim and Wakai and Committee Members,

I am writing in strong support of HB1584.

The price of fossil fuels should reflect their true cost. A carbon tax is a means of adding the cost of the negative environmental externalities to the price of fossil fuels. It is important that it generates the right incentives and is not regressive.

The proposed study would be a first step towards developing an effective carbon tax.

Mahalo,

Dr. Lisa Marten

Executive Director
Healthy Climate Communities
healthyclimate@hawaii.rr.com



ELEMENTAL EXCELERATOR

Written Statement of Elemental Excelerator before the Senate Committees on Higher Education and Energy, Economic Development, and Tourism

Friday, March 15, 2019

In consideration of HB 1584 HD 2 RELATING TO CARBON EMISSIONS

Aloha Chair Kim, Chair Wakai, and Members of the Senate Committees on Higher Education and Energy, Economic Development, and Tourism:

Elemental Excelerator respectfully submits support for HB 1584 HD 2, which appropriates funds to the University of Hawaii to conduct a comprehensive study of a statewide carbon tax.

Elemental Excelerator is a Honolulu-based growth accelerator program founded and operating in Hawai'i. We have awarded over \$30 million to 82 companies resulting in 56 demonstration projects in Hawai'i & Asia Pacific. Each year, we evaluate over 500 companies and look for innovative entrepreneurs from around the world to come to Hawai'i and find transformative solutions to help us achieve our 100% clean energy goals and solve our most pressing environmental problems. We select 15-20 companies annually that best fit our mission and fund each company up to \$1 million.

In April 2018, Elemental Excelerator commissioned a study entitled *Transcending Oil: Hawai'i's Path to a Clean Energy Economy*. The study found that in Hawai'i, transitioning to renewable energy is cheaper than sticking with oil. The faster we go, the cheaper it will be. As a policy recommendation, the study identified pricing carbon to realign incentives to reach Hawai'i's clean energy goals.

We support HB 1584 HD 2 because we believe in data-driven solutions. A comprehensive study of carbon tax options will help our State and its legislators understand the opportunities, impacts, and options that a carbon pricing policy could bring to Hawai'i and illuminate the most reasonable structure for Hawai'i's emissions mix.

The *Report of the 2015 – 2017 Tax Review Commission* section 5.3.1 also discussed a carbon tax and directed the Legislature to commission an in-depth study on instituting a carbon tax for the State of Hawai'i.¹

Transcending Oil states that, "a reasonably high carbon price functions similarly to high oil prices and would encourage faster renewable energy deployment in the electric power sector. An appropriate tax rate could also reduce VMT [vehicle miles traveled] and speed up sales of EVs [electric vehicles] if coupled with other land use and transportation policies. Unlike renewable deployment growth driven by oil prices, which transfers money from Hawai'i

¹ State of Hawai'i Report of the 2015-2017 Tax Review Commission

ratepayers to non-Hawaii oil producers, a carbon tax generates revenue that stays in Hawai'i. These funds can be used to further accelerate clean energy deployment through biofuel development, EV incentives, and other activities to help meet Hawaii's Paris commitments. They can also be returned directly to the people of Hawaii to help offset the state's high living costs or to fund education and transition assistance for displaced workers."²

Mahalo for the opportunity to provide testimony on this legislation.

Sincerely,



Aki Marceau
Managing Director, Policy & Community-Hawai'i

² Larsen, J., Mohan, S., Herndon, W., Marsters, P., & Pitt, H. (2018, May 01). Transcending Oil: Hawaii's Path to a Clean Energy Economy, p.38, Retrieved from <https://rhg.com/research/transcending-oil-hawaiis-path-to-a-clean-energy-economy/>

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: RELATING TO CARBON EMISSIONS

BILL NUMBER: HB 1584, HD-2

INTRODUCED BY: House Committee on Consumer Protection & Commerce

EXECUTIVE SUMMARY: This bill funds a study on whether and how to implement a carbon tax.

SYNOPSIS: Provides that the University of Hawaii shall conduct a study regarding implementation of a statewide carbon tax. The study is to include:

(1) An examination of carbon pricing and options for adopting a statewide carbon tax in Hawaii for the purposes of affecting market and consumer behavior to reduce carbon emissions and their negative impacts on the environment and on human health;

(2) Determine what level the carbon price would need to be set at in order to bring about the desired outcomes as stated in paragraph (1);

(3) Revenue projections for a recommended carbon tax and the source of the projected revenues, such as amounts paid by the industry, residents generally, low-income residents, and tourists;

(4) The threshold at which a carbon tax would result in behavior change;

(5) Whether a carbon tax should be implemented through a graduated increase over time;

(6) Recommendations for how to implement a carbon tax in a manner that is equitable, particularly for low- to moderate-income families and individuals, including consideration of the impacts and implications of the following options, either used alone or in combination:

(A) Direct dividend to residents;

(B) Reduction of other regressive taxes, such as the general excise tax on food and basic necessities;

(C) Increasing the state earned income tax credit;

(D) Revenue reinvestment in programs that reduce carbon emissions, address climate adaptation needs, or other appropriate programs; or

(E) Any other viable options;

(7) Consideration of any comparative advantages or disadvantages of increasing or decreasing existing taxes either alone or in combination, such as the environmental response, energy, and food security tax under section 243-3.5, Hawaii Revised Statutes, the state fuel tax,

or any other related tax, instead of implementing a new and separate carbon tax, or in combination with implementing a new carbon tax;

(8) Consideration of how to include air travel in a carbon tax;

(9) Examples of other jurisdictions within or outside the United States that have implemented a carbon tax and any lessons that Hawaii may learn from those examples; and

(10) Other criteria identified as necessary and relevant.

EFFECTIVE DATE: This Act shall take effect on July 1, 2100.

STAFF COMMENTS: An economist from UHERO, the University of Hawaii Economic Research Organization, recently posted [an analysis](#) arguing that strong, decisive action such as a carbon tax is going to be needed if we are going to achieve the greenhouse gas goals. “But without any specifics as to how we are to achieve [greenhouse gas] reductions – through a carbon tax or otherwise – it is largely symbolic,” she argues.

So what is a carbon tax? It is a tax imposed on the carbon content of different fuels. Typically, it is due and payable when the fuel is either extracted and placed into commerce, or when it is imported. At present, neither the U.S. federal government nor any U.S. state has enacted a carbon tax. The city of Boulder, Colorado, enacted one by referendum in 2006; it applies at the rate of \$7 per metric ton of CO₂ and is imposed on electricity generation only. Several European Union countries, Japan, and South Africa [have carbon taxes](#).

Presently, we have a liquid fuel tax (chapter 243, HRS). Like a carbon tax, the fuel tax is imposed upon import and entry into commerce. So, PFM Group, the consultant employed by the Hawaii Tax Review Commission, in its [final report](#) thought that the systems and processes we now have in place to collect fuel tax in Hawaii can be adapted to a carbon tax, and for that reason concluded that a carbon tax would entail “[l]ittle administrative burden.” There are, however, several important differences between the two:

Both the county and state governments are given the power to impose fuel tax. This bill repeals the state fuel tax but does not affect the counties’ power to impose fuel tax.

The fuel tax is now earmarked for Highway Fund use, and the money in that fund is spent by the Department of Transportation. As a result, vehicles that don’t use the highways, such as tractors and other farm machinery, are exempt from fuel tax. A carbon tax applies to both on-road and off-road use of fuel, as long as the CO₂ generated from burning it gets into the atmosphere.

The potential big losers will be the electric companies, because electric generation accounted for 6.8 million metric tons of CO₂ in 2013 out of a total 18.3 million metric tons. However, the electric companies won’t simply absorb the tax, but can be expected to pass on the enhanced costs to anyone who gets an electric bill.

Perhaps it’s good for lawmakers to worry about the end of the world as we know it, which perhaps will be staved off by the social change the tax encourages. But their constituents are worried not about the end of the world, but the end of next week. Will their paychecks be

enough to pay the rent, keep the lights on, or feed the family? If the cost of simply driving to work from the suburbs is horrible now, just wait until the tax kicks in.

And if you think the hammer of a carbon tax will fall most heavily on huge, faceless corporations like the electric company, the airlines, or the shippers, think again. Businesses can and will pass on any enhanced costs to their consumers if they hope to continue providing their products or services. That means our already astronomical cost of living could head further up into the stratosphere. In theory, that would not happen under this bill, which is intended to be revenue neutral; but tax rates can be and are adjusted over time.

Digested 3/12/2019



Environmental Caucus

The Democratic Party of Hawai'i

SENATE JOINT COMMITTEES ON HIGHER EDUCATION AND ENERGY, ECONOMIC DEVELOPMENT & TOURISM

March 15, 2019 3:15 p.m. Room 414

In **SUPPORT** of **HB1584 HD2**: Relating to Carbon Emissions

Aloha Chairs Kim and Wakai, Vice Chairs Kidani and Taniguchi, and Committee Members,

On behalf of the Environmental Caucus of the Democratic Party of Hawai'i (ECDPH), we **strongly support HB1584 HD2**, relating to carbon emissions and offer one amendment.

Climate change and efforts to mitigate its effects is the single most pressing issue of our time. The ECDPH has listed a carbon "tax", in the form of a carbon fee and dividend, as one of our top legislative priorities this session. This bill would yield an outcome that would provide strong policy guidance on what carbon pricing mechanism is best for Hawai'i. While it is important to carefully review the best options, *there is no time to waste*.

There is no question that we must address climate change posthaste. With the recent Intergovernmental Panel on Climate Change (IPCC) special report (2018) there is clear consensus among scientists globally that we must limit global warming to 1.5 degrees Celsius to avoid catastrophic and irreversible effects that would impact all of humankind. To reach this goal, we must cut global anthropogenic carbon emissions in half by 2030 and reach net zero emissions by mid-century. It is evident that "rapid and far-reaching transitions in energy, land, urban and infrastructure, and industrial systems (IPCC SR 2018)" are necessary. **Both the IPCC and the Hawai'i Climate Change Commission support carbon pricing as the most effective action to reduce emissions.**



Environmental Caucus

The Democratic Party of Hawai'i

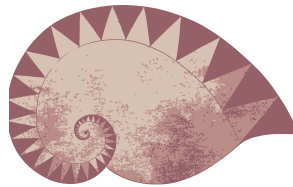
Proposed amendment: considering that carbon pricing is one of the most studied carbon mitigation policies, there is ample data to complete this study in an accelerated time frame. We propose that UH submit their final report to the Legislature no later than December 31, 2019. In doing so, appropriate carbon pricing legislation may be enacted in during the 2020 session.

Mahalo for the opportunity to testify in **strong support of HB1584 HD2** and your attention to our amendment.

Kimiko LaHaela Walter

Interim Chair, Energy and Climate Change Subject Committee, Environmental Caucus of the Democratic Party of Hawai'i

State Central Committee Representative, Environmental Caucus of the Democratic Party of Hawai'i



Pono Hawai'i Initiative

Josh Frost - President • Kau'i Pratt-Aquino - Secretary • Patrick Shea - Treasurer
Kristin Hamada • Nelson Ho • Summer Starr

Friday, March 15, 2019

House Bill 1584 HD2
Testifying in Support with Amendments

Aloha, Chairs Mercado Kim and Wakai, Vice Chairs Kidani and Taniguchi, and Members of the Senate Committees on Higher Education and Energy, Economic Development, and Tourism,

The Pono Hawai'i Initiative (PHI) **supports HB1584 HD2 Relating to Carbon Emissions**, which appropriates funds to the University of Hawaii to conduct a comprehensive study of a statewide carbon tax.

The United Nations Intergovernmental Panel on Climate Change, World Bank, and International Monetary Fund all have recommended imposing a price on carbon emissions. Hawaii's own Climate Change Mitigation and Adaptation Commission has made a similar recommendation.

As Hawaii was the first state to take on the Paris Climate Accord below the federal level following President Trump's decision to withdraw, sending this bill to the Governor's Desk for signature should be a no-brainer.

There is no greater threat this world faces than the environmental catastrophe being perpetuated by climate change. We owe it to ourselves and our children to do everything we can to mitigate and, god willing, reverse the effects.

Finally, we support the requested amendments from the Sierra Club of Hawaii.

For all these reasons, we urge you to move this bill forward,

Mahalo for the opportunity to testify,
Gary Hooser
Executive Director
Pono Hawai'i Initiative, an organization member of the Common Good Coalition



**Chair Kim & Chair Wakai
Vice Chair Kidani & Vice Chair Taniguchi
Senate Committee on Higher Education
Senate Committee on Energy, Economic Development, and Tourism**

**Friday, March 15, 2019
3:15 PM**

**TESTIMONY IN SUPPORT WITH AMENDMENTS OF HB1584 HD2 RELATING TO
CARBON EMISSIONS**

Aloha Chair Kim & Chair Wakai, Vice Chair Kidani & Vice Chair Taniguchi, Members of the Senate Committee on Higher Education & the Senate Committee on Energy, Economic Development, and Tourism,

My name is Jun Shin. I am the Environmental Justice Action Committee Chair for the Young Progressives Demanding Action (YPDA). YPDA represents approximately 1,000 Hawai'i residents, mostly of Honolulu who seek to build a Hawai'i that is just, equitable, and sustainable. YPDA is in **support of HB1584 HD2 with amendments, Relating to Carbon Emissions.**

Climate change is not a far away issue, the United Nations Intergovernmental Panel on Climate Change (IPCC) said in a summary of their October 8th report that, "Global net human-caused emissions of carbon dioxide (CO₂) would need to fall by about 45 percent from 2010 levels by 2030, reaching 'net zero' around 2050"[1]. With climate change an imminent threat, we must support the most effective action for Hawai'i's future, and carbon pricing is potentially the best way to mitigate climate emissions. Since a tax on carbon can have unintended implications if not done right, as a study, we can ensure that we can find the right carbon pricing initiative to meet Hawaii's needs, while taking on climate change at the same time as we understand the struggles many local families face. It is imperative when looking at carbon pricing, that we keep economic, social, and environmental justice in mind, so we can effectively reduce our carbon emissions while ensuring in the process of crafting policy that Hawai'i's workers and their families are kept in mind.

Proposed Amendments:

We request for your committees to incorporate public engagement. A tax on carbon emissions will impact all of Hawai'i residents, so we would like the opportunity for our members and the public to be involved in the process. With there being a lack of time and the existence of previous data to assist the university as carbon pricing has been studied as a major environmental policy, as well as the existence of previous legislation and carbon pricing initiatives by other states and even the United States Congress, YPDA would also like to propose for UH to submit their final report to the legislature no later than December 31, 2019. This allows time for legislation to be passed in the 2020 Legislative Session.

Young Progressives Demanding Action is in **support of HB1584 HD2 with amendments** and we request your committees to please **pass this measure with considerations of our amendments** for the future of Hawai'i and it's residents.

Thank you for the opportunity to testify on a very important issue,

Jun Shin
Environmental Justice Action Committee Chair
Young Progressives Demanding Action (YPDA)
1561 Kanunu St.
Cell: 808-255-6663
Email: junshinbusiness729@gmail.com

[1] <https://www.ipcc.ch/2018/10/08/summary-for-policymakers-of-ipcc-special-report-on-global-warming-of-1-5c-approved-by-governments/>



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of Hawai'i Appleseed Center for Law and Economic Justice
In Support of HB 1584, HD2 – Relating to Carbon Emissions
Senate Committees on Higher Education and on Energy, Economic Development, and Tourism
Friday, March 15, 2019, 3:15 PM, conference room 414

Dear Chairs Kim and Wakai, Vice Chairs Kidani and Taniguchi, and members of the Committees:

Mahalo for the chance to submit testimony in **SUPPORT** of **HB 1584 HD2**, which would appropriate funds to the University of Hawaii to conduct a comprehensive study of a statewide carbon tax.

We recognize the need to address climate change, especially in Hawai'i, and understand that carbon pricing is potentially the most effective method of reducing carbon emissions. However, we are also concerned that many proposed carbon tax measures are regressive – meaning that they place the heaviest tax burden on those of who can least afford it. That's why we support a study to look at the feasibility and potential effects of a statewide carbon tax.

Hawai'i's low-income families already face the second-highest tax rate in the nation, with households in the bottom fifth of our income spectrum paying almost twice as much of their income in taxes as those in the top fifth. A main reason for this disparity is the General Excise Tax (GET), which is applied to nearly all goods and services in Hawai'i. It hits our low-income and working-class neighbors harder because they spend almost all of their earnings on items and services that are taxed by the GET.

Similarly, a carbon tax could impact Hawai'i's low-income and working-class families the hardest because they spend proportionately more of their earnings on items like gas and utilities.

We emphasize that it is crucial for the study to explore mechanisms to mitigate the regressivity that could result from carbon pricing. Some potential avenues to look at include tax credits that are targeted to help low to moderate income families and already exist in this state, such as the Earned Income Tax Credit, Low Income Household Renters' Credit, and Food/Excise Tax Credit.

Thank you for your attention to this important issue.

The Hawai'i Appleseed Center for Law and Economic Justice is committed to a more socially just Hawai'i, where everyone has genuine opportunities to achieve economic security and fulfill their potential. We change systems that perpetuate inequality and injustice through policy development, advocacy, and coalition building.



HB 1584, HD 2, RELATING TO CARBON EMISSIONS

MARCH 15, 2019 · SENATE COMMITTEES ON
WATER AND LAND AND AGRICULTURE AND
ENVIRONMENT · CHAIR SEN. KAIALI'I KAHELE AND
SEN. MIKE GABBARD

POSITION: Support.

RATIONALE: IMUAlliance supports HB 1584, HD 2, relating to carbon emissions, which appropriates funds to the University of Hawai'i to conduct a comprehensive study of a statewide carbon tax.

According to a report produced by the Hawai'i Climate Change Mitigation and Adaptation Commission, global sea levels could rise more than three feet by 2100, with more recent projections showing this occurring as early as 2060. In turn, over the next 30 to 70 years, approximately 6,500 structures and 19,800 people statewide will be exposed to chronic flooding. Additionally, an estimated \$19 billion in economic loss would result from chronic flooding of land and structures located in exposure areas. Finally, approximately 38 miles of coastal roads and 550 cultural sites would be chronically flooded, on top of the 13 miles of beaches that have already been lost on Kaua'i, O'ahu, and Maui to erosion fronting shoreline armoring, like seawalls.

As we work to reduce carbon emissions and stave off the worst consequences of climate change, we must begin preparing for the adverse impact of sea level rise on our shores. We are now quantifying the speed at which we must act. We cannot continue to develop the 25,800-acre statewide sea level rise exposure area—one-third of which is designated for urban use—without

risking massive structural damage and, potentially, great loss of life. Furthermore, we must take steps to diminish our carbon footprint, including by studying and, as soon as possible, enacting a statewide carbon tax.

A carbon tax is a fee imposed on the burning of carbon-based fuels (coal, oil, gas). More to the point, a carbon tax is the core policy for reducing and eventually eliminating the use of fossil fuels whose combustion is destabilizing and destroying our climate, forcing users of carbon fuels pay for the climate damage caused by releasing carbon dioxide into the atmosphere. If set high enough, a carbon tax can be a powerful monetary disincentive that motivates switches to clean energy across the economy by making it more economically rewarding to employ non-carbon fuels and energy efficiency.

Utilizing existing tax collection mechanisms, a carbon tax is paid “upstream,” i.e., at the point where fuels are extracted and inserted into the stream of commerce or imported into the U.S. Fuel suppliers and processors are free to pass along the cost of the tax to the extent that market conditions allow, with market forces simultaneously creating a monetary incentive to reduce carbon dioxide emissions. Carbon that is chemically bound into manufactured products—such as plastics—are not be taxed under a carbon tax scheme. Similarly, any CO₂ from energy production that is permanently sequestered rather than released into the atmosphere wouldn’t and shouldn’t be taxed (or should receive an offsetting tax credit). Finally, some carbon tax proposals include exemptions for export-dependent businesses to help them remain competitive in global markets.

Notably, a Brookings Institute report found that using 2013 emissions figures, a \$20/ton carbon tax would generate an estimated \$365 million for Hawai‘i. As we seek ways to accelerate our transition to clean energy, revitalize state infrastructure, and invest in the education needed to continue to fight against climate change, we cannot afford to forego this progressive and sustainability-minded method of revenue generation.



SIERRA CLUB OF HAWAI'I

MĀLAMA I KA HONUA. *Cherish the Earth.*

SENATE COMMITTEE ON HIGHER EDUCATION

SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

March 15, 2019 3:15 PM Room 414

In **SUPPORT of HB 1584 HD 2:** Relating to Carbon Emissions

Aloha Chair Kim, Chair Wakai, and HRE and EET committee members,

On behalf of our 20,000 members and supporters, the Sierra Club of Hawai'i **strongly supports HB 1584 HD 2- Relating to Carbon Emissions.** This bill appropriates funds to the University of Hawaii for the Research Corporation of the University of Hawaii to conduct a comprehensive study of a statewide carbon tax.

In their most recent report, the Intergovernmental Panel on Climate Change outlines the catastrophic effects climate change will have on our planet if we do not quickly ramp-down greenhouse gas emissions by 45% by 2030 and zero by 2050. The Panel reported that carbon pricing mechanisms are critical to reach these goals, but did not specify a one-size-fits-all policy and instead outlined a range of prices that could be implemented.¹

The World Bank and International Monetary Fund has also urged countries to impose a price on carbon emissions, stating that there is an “obvious consensus that putting a price on carbon pollution is by far the most powerful and efficient way to reduce emissions.”² Our state’s Climate Change Mitigation and Adaptation Commission (the Commission) also stated that putting a price on carbon is the most effective single action that will achieve Hawai'i’s ambitions and necessary reduction goals, but noted that a carbon pricing mechanism must be equitable and appropriate for Hawai'i, must demonstrate how this is a critical policy tool to protect our future, and must be adequate to change behavior. Additionally, the Commission urged the State to adequately resource through legislative action a partnership with counties and local

¹ <https://www.bloomberg.com/news/articles/2018-10-10/how-much-does-carbon-need-to-cost-somewhere-from-20-to-27-000>

² <https://www.nytimes.com/2016/04/24/us/politics/carbon-pricing-becomes-a-cause-for-the-world-bank-and-imf.html>

organizations to develop and undertake a multi-year educational/public service announcement campaign around carbon pricing.³

The Sierra Club's view on carbon pricing is that effectiveness and equity are essential, design and implementation details matter a lot, and there are many different carbon pricing policy options that can potentially work. We feel the urgency of climate change, but must ensure that whatever carbon tax is implemented it will be the right fit for Hawai'i. Any proposal must integrate environmental and economic justice principles while achieving measurable carbon emissions reductions.

Ideally, revenues obtained from carbon pricing programs should be used to: (1) expand clean energy and energy efficiency to further reduce carbon emissions, and to invest in climate adaptation; (2) finance targeted investments in frontline communities affected by conventional air pollution from polluting sources; (3) provide financial assistance to workers affected by the transition away from fossil fuels, and for new economy job training and clean energy investments in frontline communities; and (4) offset the regressive effects of increased taxes in low-income households.⁴

The Sierra Club of Hawai'i recognizes that while we have existing carbon markets like California's cap-and-trade system and the Regional Greenhouse Gas Initiative in the Eastern United States, a "carbon tax" has yet to be implemented in any other state. We also know that Hawai'i has the highest cost of living in the United States, that our tax system is generally regressive, and there is potential for a new tax to disproportionately affect low and moderate income communities.

We therefore believe that the logical first step to implement an equitable and effective carbon tax in Hawai'i is passage of HB 1584- a bill that is dedicated to studying the feasibility and impacts of carbon pricing in Hawai'i. The study is to be completed by the University of Hawai'i by October 31, 2020 and will provide strong policy guidance for which type of carbon pricing mechanism Hawai'i should pursue during the 2021 legislative session.

We support the HD 1 and ask that the committee consider these additional amendments:

- Adding language in Section 2, part a (page 6, lines 12-21) to encourage public outreach and education around carbon pricing, to be consistent with the Commission's recommendations:
 - The university of Hawaii shall engage with stakeholders, such as any relevant state agencies, including the department of taxation, business and industry

³

<http://governor.hawaii.gov/newsroom/latest-news/dlnr-news-release-state-climate-commission-encourages-urgent-actions-to-combat-emissions/>

⁴ <https://www.sierraclub.org/sites/www.sierraclub.org/files/CarbonPricingGuidance.pdf>

groups, non-governmental organizations with an interest in energy and climate issues, non-governmental organizations with an interest in economic justice issues, researchers at the university of Hawaii, legislators, the Hawaii climate change mitigation and adaptation commission, and any other relevant parties, to develop the appropriate scope of the study and begin a multi-year educational and public outreach campaign regarding carbon pricing and the findings of this study.

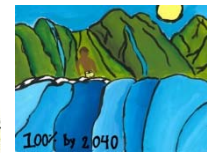
Hawai'i is already leading the nation with our goal of becoming carbon neutral by 2045, but we must do more to ensure the transition to clean energy is accelerated and equitable. HB 1584 is a necessary tool that can be used to engage and educate the public on carbon pricing, direct the legislature on what pricing mechanism we should prioritize, and help us actualize our ambitious carbon neutrality and clean energy goals.

Thank you very much for this opportunity to provide testimony in **support of HB 1584 HD 2.**

Mahalo,

A handwritten signature in cursive script that reads "Jodi Malinoski".

Jodi Malinoski, Policy Advocate



**SENATE COMMITTEE ON HIGHER EDUCATION
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM**

March 15, 2019, 3:15 P.M.

Room 414

(Testimony is 2 pages long)

TESTIMONY IN STRONG SUPPORT OF HB 1584 HD2

Aloha Chair Mercado Kim, Chair Wakai, and members of the Committees:

Blue Planet Foundation **strongly supports** HB 1584 HD2, a measure that dedicates funding for a comprehensive study of a carbon tax to help policymakers better understand the opportunities, impacts, and options that such a policy could offer Hawaii.

Climate change will have devastating, long-term consequences on Hawaii's environment, economy, and quality of life. For these reasons and others, the State of Hawaii has committed to a decisive and irreversible transition away from fossil fuels, and a swift transition to a clean energy economy powered by 100% renewable energy. The legislature has passed aggressive carbon reduction goals, including the goal to be net carbon neutral by 2045 (Act 15 of 2018) and

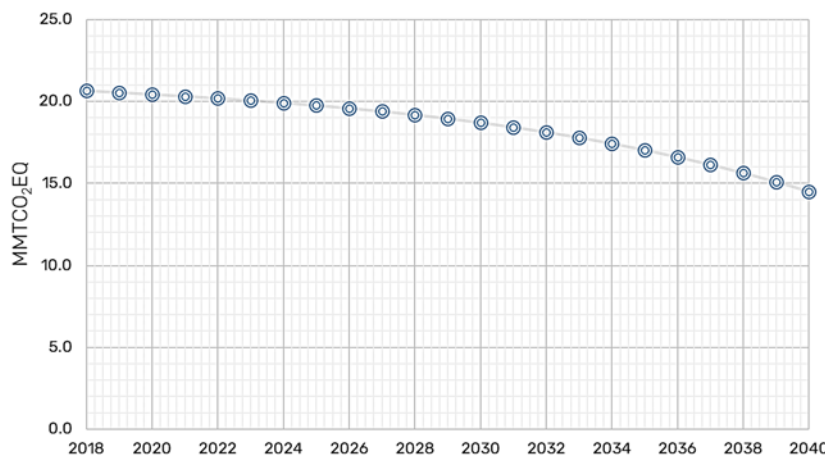


Figure 1. Best-case Hawaii greenhouse gas emissions trend with current state policies

strive to achieve the objectives of the Paris Climate Agreement (Act 32 of 2017). Setting these bold targets is important, but alone it is insufficient. Despite a growing portfolio of standards, incentives, and targets, Hawaii's current policies will not succeed in significantly reducing Hawaii's current overall carbon emissions over the next few decades.

Pricing carbon emissions via a tax on fossil fuels has emerged as a broadly supported, economically efficient, and effective policy tool to reduce climate-changing carbon emissions. Economists and leaders from across the political spectrum—including Nobel-prize winning economists, four former chairs of the U.S. Federal Reserve, and 15 former chairs of the U.S.

Council of Economic Advisers—have endorsed a carbon tax as a necessary market-based solution to our climate challenge.

Currently, the prices of electricity, gasoline, and other fuels reflect little or none of the long-term costs from climate change or even the near-term health costs of burning fossil fuels. This immense “market failure” suppresses incentives to develop and deploy carbon-reducing measures such as energy efficiency, renewable energy, low-carbon fuels, and conservation-based behavior such as bicycling, recycling, and overall mindfulness toward energy consumption. Taxing fuels according to their carbon content will infuse these incentives at every link in the chain of decision and action—from individuals’ choices and uses of vehicles, appliances, and housing, to businesses’ choices of product design, capital investment, and facilities.

A carbon tax—if not designed correctly—could disproportionately impact low- to moderate-income residents. Most low- to moderate-income households spend a larger percentage of their income on gasoline, other fuels, and electricity than do higher-income households. For example, in 2014, the wealthiest 20% of U.S. households spent just 2.7% of their after-tax income on gasoline; the percentage for the lowest quintile, 10.8%, was four times as high. When viewed in absolute dollar terms, however, the bulk of carbon taxes will be paid, directly or indirectly, by households and visitors of above-average means. Researchers at the University of Hawaii at Manoa have found that the carbon intensity of visitor activities is much higher than those of residents. Regardless, a variety of mechanisms exist to reduce the regressive nature of a carbon tax, including increasing the state-level match of the Earned Income Tax Credit and making the match refundable, reducing existing taxes—particularly those that are disproportionately paid by lower income residents (such as the General Excise Tax on food and medicine), or providing a direct dividend to residents. These are critical issues that warrant thorough examination.

Blue Planet Foundation supports HB 1584 HD2 to better understand if and how pricing carbon can accelerate Hawaii's cost-effective transformation to a 100% clean energy future while ensuring that the transition is fair, equitable, and beneficial for all.

Thank you for the opportunity to testify.

HB-1584-HD-2

Submitted on: 3/12/2019 9:44:25 PM

Testimony for HRE on 3/15/2019 3:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lois Crozer	Individual	Support	No

Comments:

HB-1584-HD-2

Submitted on: 3/13/2019 3:50:09 PM

Testimony for HRE on 3/15/2019 3:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Greg Puppione	Individual	Support	No

Comments:

I support HB 1584 HD2. Both the Intergovernmental Panel on Climate Change and the Hawai'i Climate Change Mitigation and Adaptation Commission support carbon pricing as the most effective action to reduce emissions. However, no state has adopted a carbon tax and Hawai'i's carbon tax could disproportionately affect low and moderate income communities if not implemented correctly. A study on a carbon tax is warranted and will provide clear policy guidance for how future carbon tax proposals can be both effective and equitable.

HB-1584-HD-2

Submitted on: 3/13/2019 4:12:36 PM

Testimony for HRE on 3/15/2019 3:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Cheryl Reeser	Individual	Support	No

Comments:

I support this bill. Climate Change impacts, especially sea level rise, will impact everyone in Hawaii and will be devastating if we don't address it now.

HB-1584-HD-2

Submitted on: 3/13/2019 4:22:50 PM

Testimony for HRE on 3/15/2019 3:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Ashley Wilcox	Individual	Support	No

Comments:

HB-1584-HD-2

Submitted on: 3/13/2019 4:40:28 PM

Testimony for HRE on 3/15/2019 3:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Sandra Fujita	Individual	Support	No

Comments:

I support HB 1584 HD2. Both the Intergovernmental Panel on Climate Change and the Hawai'i Climate Change Mitigation and Adaptation Commission support carbon pricing as the most effective action to reduce emissions. However, no state has adopted a carbon tax and Hawai'i's carbon tax could disproportionately affect low and moderate income communities if not implemented correctly. A study on a carbon tax is warranted and will provide clear policy guidance for how future carbon tax proposals can be both effective and equitable.

HB-1584-HD-2

Submitted on: 3/13/2019 4:59:37 PM

Testimony for HRE on 3/15/2019 3:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Denise Boisvert	Individual	Support	No

Comments:

I support this bill.

Thank you for your consideration to support it as well.

HB-1584-HD-2

Submitted on: 3/13/2019 5:04:37 PM

Testimony for HRE on 3/15/2019 3:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Dyson Chee	Individual	Support	No

Comments:

HB-1584-HD-2

Submitted on: 3/13/2019 5:27:06 PM

Testimony for HRE on 3/15/2019 3:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Ted Bohlen	Individual	Support	No

Comments:

HB-1584-HD-2

Submitted on: 3/13/2019 6:16:01 PM

Testimony for HRE on 3/15/2019 3:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
L.M. Holmes	Individual	Support	No

Comments:

I support HB 1584 HD2. Both the Intergovernmental Panel on Climate Change and the Hawai'i Climate Change Mitigation and Adaptation Commission support carbon pricing as the most effective action to reduce emissions. However, no state has adopted a carbon tax and Hawai'i's carbon tax could disproportionately affect low and moderate income communities if not implemented correctly. A study on a carbon tax is warranted and will provide clear policy guidance for how future carbon tax proposals can be both effective and equitable. Dr. L.M. Holmes, Honolulu 96817

HB-1584-HD-2

Submitted on: 3/13/2019 3:59:59 PM

Testimony for HRE on 3/15/2019 3:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
B.A. McClintock	Individual	Support	No

Comments:

I support HB 1584 HD2. Both the Intergovernmental Panel on Climate Change and the Hawai'i Climate Change Mitigation and Adaptation Commission support carbon pricing as the most effective action to reduce emissions. However, no state has adopted a carbon tax and Hawai'i's carbon tax could disproportionately affect low and moderate income communities if not implemented correctly. A study on a carbon tax is warranted and will provide clear policy guidance for how future carbon tax proposals can be both effective and equitable.

HB-1584-HD-2

Submitted on: 3/13/2019 7:31:17 PM

Testimony for HRE on 3/15/2019 3:15:00 PM

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

Comments:

I support HB 1584 HD2. Both the Intergovernmental Panel on Climate Change and the Hawai'i Climate Change Mitigation and Adaptation Commission support carbon pricing as the most effective action to reduce emissions. However, no state has adopted a carbon tax and Hawai'i's carbon tax could disproportionately affect low and moderate income communities if not implemented correctly. A study on a carbon tax is warranted and will provide clear policy guidance for how future carbon tax proposals can be both effective and equitable.

HB-1584-HD-2

Submitted on: 3/13/2019 7:08:09 PM

Testimony for HRE on 3/15/2019 3:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Emily Garland	Individual	Support	No

Comments:

support HB 1584 HD2. Both the Intergovernmental Panel on Climate Change and the Hawai'i Climate Change Mitigation and Adaptation Commission support carbon pricing as the most effective action to reduce emissions. However, no state has adopted a carbon tax and Hawai'i's carbon tax could disproportionately affect low and moderate income communities if not implemented correctly. A study on a carbon tax is warranted and will provide clear policy guidance for how future carbon tax proposals can be both effective and equitable.

HB-1584-HD-2

Submitted on: 3/14/2019 7:45:58 AM

Testimony for HRE on 3/15/2019 3:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Kim Jorgensen	Individual	Support	No

Comments:

I support HB1584 HD2.

Thank you for your consideration to pass it.

From: [Nate Hix](#)
To: [EETestimony](#); [HRE Testimony](#)
Subject: Re: Support HB1584, a progressive carbon tax study - Nate Hix
Date: Thursday, March 14, 2019 1:02:32 PM

 **Support HB1584, a progressive carbon tax study**

Name	Nate Hix
Email	nate.hix@gmail.com
Subject	Testimony in SUPPORT of HB1584 HD1, with suggestions

Testimony Aloha Chairs Kim, Wakai, members of the joint HRE/EET committee,

Both the Intergovernmental Panel on Climate Change and the Hawai‘i Climate Change Commission support carbon pricing as the most effective action to reduce emissions. However, no state has adopted a carbon tax, and Hawai‘i’s carbon tax could disproportionately affect low and moderate-income communities if not implemented correctly.

I feel the urgency of climate change, but we must ensure that whatever carbon tax is implemented, it will be the right fit for Hawai‘i. Any proposal must integrate environmental and economic justice principles while achieving measurable carbon emissions reductions.

I therefore strongly support HB1584 - a bill that is dedicated to studying the feasibility and impacts of carbon pricing in Hawai‘i. The study is to be completed by the University of Hawai‘i by 2020 and will provide strong policy guidance for which type of carbon pricing mechanism Hawai‘i should pursue.

I would like to ask for your committees to incorporate public engagement language within the bill. A tax on carbon emissions will impact all Hawai‘i residents, so I would like the opportunity for my family, friends, and myself to be involved in the process.

With our time running out, I would also like to

propose for UH to submit their final report to the legislature no later than December 31, 2019. This allows time for legislation to be passed in the 2020 Session, and action to be taken as soon as possible.

Mahalo,

You can [edit this submission](#) and [view all your submissions](#) easily.

LATE

HB-1584-HD-2

Submitted on: 3/14/2019 3:40:18 PM

Testimony for HRE on 3/15/2019 3:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Andrea Quinn	Individual	Support	No

Comments:

Dear Honorable Committee Members:

Please support HB1584. Carbon tax measures have been enacted from Germany to China to Zimbabwe and across the US. The tax increases revenue without significantly altering the economy and promotes a proactive climate change policy in the process.

Climate change is already occurring, and Hawaii coastlines are eroding due to rising sea levels which, at 3mm/year, is unprecedented in the geologic record.

Thank you for the opportunity to present my testimony.

Sincerely,

Andrea Quinn

Kihei

LATE

HB-1584-HD-2

Submitted on: 3/14/2019 4:32:01 PM

Testimony for HRE on 3/15/2019 3:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Marilyn Mick	Individual	Support	No

Comments:

I support HB 1584 HD2. Both the Intergovernmental Panel on Climate Change and the Hawai'i Climate Change Mitigation and Adaptation Commission support carbon pricing as the most effective action to reduce emissions. However, no state has adopted a carbon tax and Hawai'i's carbon tax could disproportionately affect low and moderate income communities if not implemented correctly. A study on a carbon tax is warranted and will provide clear policy guidance for how future carbon tax proposals can be both effective and equitable.



LATE

Testimony of Jim Yates,
President of the Hawaii Petroleum Marketers Association

**SUPPORTING THE INTENT OF HOUSE BILL 1584, HOUSE DRAFT 2,
RELATING TO CARBON EMISSIONS**

Senate Committee on Higher Education
The Honorable Donna Mercado Kim, Chair
The Honorable Michelle Kidani, Vice Chair

Senate Committee on Energy, Economic Development & Tourism
The Honorable Glenn Wakai, Chair
The Honorable Brian Taniguchi, Vice Chair

Friday, March 15, 2019 at 3:15 p.m.
Hawaii State Capitol, Conference Room 414

Chairs Kim and Wakai, Vice Chairs Kidani and Taniguchi, and members of both committees,

I am Jim Yates, president of the Hawaii Petroleum Marketers Association (“HPMA”). HPMA is a non-profit trade association comprised of members who directly market liquid motor fuel products across the Hawaiian Islands. Our membership includes individuals and companies who operate as independent marketers, jobbers or distributors of petroleum products and who buy liquid motor fuel products at the wholesale level and sell or distribute products to retail customers, other wholesalers, and other bulk consumers. HPMA’s primary purpose is to protect and advance its members’ legislative and regulatory interests in Hawaii and Washington, DC.

House Bill 1584, House Draft 2 appropriates funds to the University of Hawaii to conduct a comprehensive study of a statewide carbon tax.

HPMA supports the intent of HB 1584, HD 2.

We believe studying the feasibility and impacts of carbon pricing is a necessary step towards designing and implementing an effective carbon tax program.

Thank you for allowing HPMA the opportunity to submit written testimony on this bill.

LATE

HB-1584-HD-2

Submitted on: 3/14/2019 11:36:01 PM

Testimony for HRE on 3/15/2019 3:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Barbara L. George	Individual	Support	No

Comments:

SUPPORT. Both the Intergovernmental Panel on Climate Change and the Hawai'i Climate Change Mitigation and Adaptation Commission support carbon pricing as the most effective action to reduce emissions. However, no state has adopted a carbon tax and Hawai'i's carbon tax could disproportionately affect low and moderate income communities if not implemented correctly. A study on a carbon tax is warranted and will provide clear policy guidance for how future carbon tax proposals can be both effective and equitable.



LATE

Young Democrats of Hawaii
Democratic Party of Hawaii

Testimony presented before the Committee on Consumer Protection & Commerce
Friday, March 15, 2019 at 3:15 p.m.
Conference Room 414

House Bill 1584, HD2

Dear Chairs Kim and Wakai, Vice Chairs Kidani and Taniguchi, and members of the Committees:

House Bill 1584, House Draft 2 appropriates funds to the Research Corporation of the University of Hawaii to conduct a comprehensive study of a statewide carbon tax. In January 2019 the Young Democrats of Hawaii conducted a member survey to identify and prioritize important issues facing young people today. Taking action on climate change was identified as one of the top three issues. YDHI members recognize that the impacts of climate change are already being felt throughout the world and in the State of Hawaii, and that actions must be taken immediately to ensure a viable future for all of Hawaii residents. For these reasons, the Young Democrats of Hawaii **strongly supports** the passing of HB 1584, HD2.

Leading climate scientists warned in the latest report released by the Intergovernmental Panel on Climate Change that the world will risk experiencing catastrophic impacts of climate change if we fail to reduce greenhouse gas emissions by 45% by 2030 and net 0% by 2050. Even as Hawaii's renewable energy portfolio grow and diversify, over 70% of Hawaii's current energy demands is met by burning fossil fuels. A carbon tax policy is the fairest, single most effective and efficient method for reducing our reliance on imported oil. Carbon pricing has already been proposed or implemented across Canada, Europe, and Japan. The US, one of the biggest emitters of greenhouse gas emissions, still do not have a statewide carbon tax. If HB 1584, HD2 passes, Hawaii could potentially become the first state to impose a carbon tax.

Finally, YDHI believes that this study will help Hawaii create the most efficient and effective carbon mitigation policy, however, we caution that this policy must also be equitable for all communities, including low-income and vulnerable populations.

Thank you for the opportunity to testify.

Sincerely,

Executive Committee
Young Democrats of Hawaii



To: The Senate Committees on Higher Education, and
Energy, Economic Development, And Tourism
From: Brodie Lockard, Hawaii State Climate Lead, Organizing for Action
Date: Friday, March 15, 2019, 3:15 pm

LATE

In strong support of HB 1584 HD2

Dear Chairs Kim and Wakai, Vice Chairs Kidani and Taniguchi, and Committee Members—

Organizing for Action strongly supports HB 1584 HD2.

Numerous prominent economists from across the political spectrum agree that a carbon tax is the single most effective method for reducing carbon dioxide emissions, and thus climate change. Given the myriad negative effects of climate change that Hawaii has already been suffering under for years, the legislature should proceed with all speed to study and implement such a tax.

A carbon tax is complex, involving infrastructure, construction, transportation, investment, tourism, land use, energy, food, air travel, public perception and acceptance, timing, and many industries.

Any carbon tax should be planned carefully, considering all of these factors, to be effective, equitable and accepted by the general public, whom it will affect. A recent gas tax hike in France was widely seen as disproportionately affecting lower-income citizens, causing violent "yellow vest" riots.

UH is a logical organization for conducting a carbon tax study. Experts there in all the relevant fields can inform the legislature about the right way to implement an effective carbon tax in Hawaii. Please support HB 1584 HD2 for the future of the state and all who live here.

Thank you for the opportunity to testify.

Brodie Lockard
Hawaii State Climate Lead, Organizing for Action