

OFFICE OF INFORMATION PRACTICES

STATE OF HAWAII
NO. 1 CAPITOL DISTRICT BUILDING
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HONOLULU, HAWAII 96813
TELEPHONE: 808-586-1400 FAX: 808-586-1412
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To: House Committee on Energy & Environmental Protection

From: Cheryl Kakazu Park, Director

Date: February 7, 2019, 9:00 a.m.
State Capitol, Conference Room 325

Re: Testimony on S.B. No. 953
Relating to Energy Assurance

Thank you for the opportunity to submit testimony on this bill, which would amend Hawaii's fuel shortage response and energy assurance statutes. The Office of Information Practices (OIP) takes no position on the substance of this bill, but **recommends amendment of a confusing confidentiality provision at bill page 3-4.**

Proposed section 125C-B makes “[s]tatements provided to the department pursuant to section 125C-A and the data contained therein” confidential. However, proposed section 125C-A does not actually provide for any statements or reports to be submitted to the Department of Business, Economic Development, and Tourism (Department) by anyone. The only reference to receipt of information in section 125C-A is a limitation on the Department's use of “information, including confidential information, received from all sources” – the section does not at any point direct anyone to submit information to the Department, or direct the Department to request information, or otherwise set out the circumstances in which the Department might be receiving statements or information or what sort of information it might be receiving. Thus, it is not clear how broad the confidentiality

provision is or what, exactly, it is intended to cover. As written, subsection 125C-B(a) could arguably make confidential all information received by the Department from all sources in any context, including information unrelated to energy assurance, which would clearly be overbroad. At the same time, subsection 125C-B(b) provides that information previously made public by the submitter shall not be confidential, which, while sensible, seems to contradict subsection (a).

In the absence of a clear indication of what this confidentiality agreement was actually intended to protect, **OIP would recommend amending** it by combining subsections 125C-B(a) and (b) into a single subsection referencing the chapter being amended and incorporating the existing exceptions set out by chapter 92F, HRS, the Uniform Information Practices Act's (UIPA), as follows:

Information provided to the department for the purposes of this chapter shall be kept confidential to the extent it falls under an exception to disclosure in section 92F-13.

Information that the person submitting it had already made public would not fall under a UIPA exception to disclosure, so it is unnecessary to address that situation separately.

Alternatively, if this Committee or the Department did have specific information in mind that it believes needs protection, **OIP would be happy to work with this Committee and the Department to craft narrower language more tailored to the specific information that needs to be kept confidential.**

Thank you for the opportunity to testify.

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Thank you for the opportunity to testify.



DAVID Y. IGE
GOVERNOR

MIKE MCCARTNEY
DIRECTOR

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of
MIKE MCCARTNEY
Director

Department of Business, Economic Development, and Tourism
before the

HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Thursday, February 7, 2019
9:00 AM

State Capitol, Conference Room #325

In consideration of
HB 953
RELATING TO ENERGY ASSURANCE.

Chair Lowen, Vice Chair Wildberger, and members of the Committee. The Department of Business, Economic Development, and Tourism (DBEDT) **strongly supports** HB 953, an Administration bill which updates Hawaii's petroleum shortage and energy emergency management (Energy Assurance) statutes, in order to strengthen the State's ability under a Governor-declared state of emergency to reduce or prevent shortages of energy that can cause significant adverse impacts on the economy, environment, public health, and the safety and welfare of the people of Hawaii.

Under current emergency plans, DBEDT is responsible for administering the State's Energy Assurance program and plans. This includes planning, training, and exercising to prepare for, and respond to, energy shortage and disaster events to ensure delivery of the energy needed for critical public services.

The primary authoritative guidance for these functions are the decades-old petroleum shortage statutes. These provisions, however, no longer align with government and industry energy emergency best practices. Nor do they adequately enable the State to successfully develop the technical and analytic perspective necessary for situational awareness of the State's energy resources under a state of emergency – a requirement for an effective response.

DBEDT believes that clarity of functional roles and clearly delineated authority for implementation is essential. HB 953 provides policy guidance to better address exposure to energy supply disruption risk over the next decade.

These changes support better informed decision making and implementation of any government or industry resource requests and response actions for a faster and more resilient recovery.

We believe that this bill is a critical component not only to effectively plan for and respond to the variety and complexity of the threats, hazards, and risks that face Hawaii's energy systems and resources today, but also to better ensure that fuel products and energy resources are made available to emergency services and critical public needs in a safe, orderly, and efficient manner.

Thank you for the opportunity to testify.

TESTIMONY BEFORE THE HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

H.B. 953 Relating to Energy Assurance

Nicholas O. Paslay
Director, Power Supply Fuels
Hawaiian Electric Company, Inc.

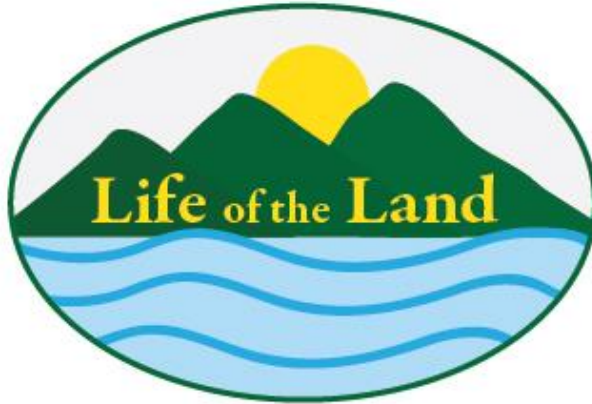
**Thursday, February 7, 2019
9:00 AM., Agenda Item #1
State Capitol, Conference Room 325**

Chair Lowen, Vice Chair Wildberger, and Members of the Committee:

My name is Nicholas O. Paslay and I am testifying on behalf of the Hawaiian Electric Company, Inc. and its subsidiaries, Hawaii Electric Light Company, Inc. and Maui Electric Company, Limited (collectively, the “Hawaiian Electric Companies”) in support of the intent of H.B. 953, Relating to Energy Assurance.

We support the intent of H.B. 953 which addresses deficiencies in Hawaii’s fuel shortage response and energy emergency (energy assurance) statutes. Hawaiian Electric Companies target adequate fuel inventories to adequately and reliably serve its customers. Included in the target inventory are contingency volumes in case of emergencies. Accordingly, the Hawaiian Electric Companies support the intent of H.B. 953 and will provide input as this measure continues to progress. Thank you for this opportunity to testify.





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COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Rep. Nicole E. Lowen, Chair

Rep. Tina Wildberger, Vice Chair

DATE: Thursday, February 7, 2019

TIME: 9:00 AM

PLACE: Conference Room 325

HB 953 Relating to Energy Assurance

Proposed Amendment

Aloha Chair Lowen, Vice Chair Wildberger, 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 49 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.

Proposed Amendment **§125C-1 Findings and purpose.** The legislature finds that adequate supplies of petroleum products are essential in the short-run to the health, welfare, and safety of the people of Hawaii, and that any severe disruption in petroleum product supplies for use within the State in the near term would cause grave hardship, pose a threat to the economic well-being of the people of the State, and have significant adverse effects upon public confidence and order and effective conservation of petroleum products. The purpose of this chapter is to grant to the governor or the governor's authorized representative the clear authority, when shortages of petroleum products occur or are anticipated, to control the distribution and sale of petroleum products in this State, to procure such products, and to impose rules that will provide extraordinary measures for the conservation of petroleum products and for their distribution and sale in an orderly, efficient, and safe manner. Nothing in this chapter shall alter state policy to phase out fossil fuels as soon as cost-effective low-
climate-impact alternatives are available.

HB-953

Submitted on: 2/6/2019 8:51:51 AM

Testimony for EEP on 2/7/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i	Support	No

Comments:

HB-953

Submitted on: 2/4/2019 6:00:35 PM

Testimony for EEP on 2/7/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Karen Winslow	Individual	Support	No

Comments:

February 6, 2019

**TESTIMONY SUPPORTING THE INTENT OF
HOUSE BILL 953, RELATING TO ENERGY ASSURANCE**

House Committee on Energy & Environmental Protection
The Honorable Nicole Lowen, Chair
The Honorable Tina Wildberger, Vice Chair

Thursday, February 7, 2019 – 9:00 a.m.
State Capitol, Room 325

Chair Lowen, Vice Chair Wildberger and members of the Committee,

Thank you for providing Par Hawaii with this opportunity to submit written testimony on House Bill 953, Relating to Energy Assurance. My name is Lance Tanaka, director of government and public affairs for Par Hawaii. As the state's leading provider of petroleum products and transportation fuels, Par Hawaii owns Hawaii's only operating refinery with a refining capacity of 115,000 barrels per day of product; distributes fuels via pipelines on Oahu and barges to all major harbors in the state; markets fuels through a network of 76 and Hele retail stations throughout Hawaii; and operates the nonmnom convenience stores.

HB 953 addresses deficiencies in Hawaii's fuel shortage response and energy emergency (energy assurance) statutes and broadens the scope to include other fuel products besides petroleum.

Par Hawaii supports the overarching intent of HB 953.

During the 2017 legislative session, the local petroleum industry collaborated with the State to include necessary confidentiality provisions in a previous version of this bill to protect the industry's information from being used and disclosed beyond the bill's stated purpose. Those same protections have been carried over into HB 953.

Thank you for allowing Par Hawaii to submit written testimony supporting the intent of this bill.



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LATE

TESTIMONY OF JOHN CROUCH ON BEHALF OF ERS,
A HAWAII RENEWABLE ENERGY COMPANY BEFORE THE
HOUSE COMMITTEE ON EEP

In SUPPORT of HB 953 RELATING TO ENERGY ASSURANCE
Thursday, February 7, 2019 9:00 AM Room 325

Rep. Nicole E. Lowen, Chair
Rep. Tina Wildberger, Vice Chair

I have been involved in the design and installation of renewable energy projects in Hawaii since the first large unit at Mauna Lani Bay Hotel and Bungalows in 1998 and the first large scale PV project in Hawaii, 2008, on Lana'i composed of 1.5MW of PV to supply 30% of the daytime load.

Amending SECTION 1. Chapter 125C, Hawaii Revised Statutes by replacing the word "petroleum" with "fuel" to include renewable energy resources in our treatment of energy is good business for the State. This amended Section will quantify the multiple types of energy resource that are now viable economic drivers, such as wind, PV, hydro and others, in order to have the information we need to make wise decisions about the future of local produced energy and the control of such resources in times of emergency.

The revisions of the Section streamlines the authority and hopefully provides a direction for efficient use of the available resources housed in our STATE ENERGY ASSURANCE PLAN.

HB 953 – Is important as a tool to help us reach our goals of energy security sooner than later.

Thank you for allowing me to testify by email.

John Crouch