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**STATE OF HAWAII
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DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

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Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Consumer Protection and Commerce
Tuesday, February 25, 2020
2:00 p.m.
State Capitol, Conference Room 329**

**On the following measure:
H.B. 1242, H.D. 1, RELATING TO RENEWABLE ENERGY**

Chair Takumi and Members of the Committee:

My name is Dean Nishina, and I am the Executive Director of the Department of Commerce and Consumer Affairs' (Department) Division of Consumer Advocacy. The Department appreciates the intent of and offers comments on this bill.

The purposes of this bill are to: (1) require gas utility companies to establish renewable energy portfolio standards (RPS) for gas; (2) provide means for gas utility companies to recover incurred costs to achieve the RPS for gas; and (3) require the Public Utilities Commission (Commission) to conduct a study of the RPS.

The proposed RPS for regulated gas utilities could, among other things, significantly increase the cost of customers' bills. Since the technology used to create renewable gas is less developed than the technologies used to generate renewable electricity (e.g., the Honouli`uli biogas facility has only recently begun operations), and since the renewable gas market does not enjoy the same support as renewable electricity (e.g., there is a lack of significant tax credits for renewable gas technologies),

adopting RPS language for the electric industry, including the interim goals, may cause the regulated gas utility to incur significant costs, which gas utility ratepayers would ultimately bear.

On prior similar measures, the Department testified that any RPS imposed on a gas utility should likewise be imposed on regulated and unregulated sales; this will prevent utility gas customers from seeking unregulated gas sources to avoid cost increases and circumventing the intention of establishing an RPS for utility gas. The Department observes that this bill seeks to impose the RPS upon regulated gas sales, as well as sales by the gas utility's parent, parent subsidiary entities, partners, joint ventures, and affiliate entities, to reduce the regulated utility's incentive to adopt a model that uses unregulated operations to serve customers' needs. A more holistic approach should better align the proposed statutory mechanism with the stated goals to reduce Hawaii's contribution to carbon production and greenhouse gases.

Notwithstanding these observations, the Department has concerns that the language in Hawaii Revised Statutes (HRS) section 269-B, which appears to mirror the language used for the RPS for electric utilities, may result in unintended consequences, as the proposed language may allow gas utility affiliates that operate outside of the State to pass on costs to Hawaii consumers, and for affiliate activities that occur outside of the State to be used to determine compliance with the proposed RPS.

The proposed language in HRS section 269-B(c) allows a regulated gas company to recover "the gas company's revenue requirement resulting from . . . the renewable portfolios of the gas utility company and its gas utility affiliates." This language might be interpreted to mean that any and all costs, even unreasonable costs, are recoverable per se. This may also saddle gas utility ratepayers with significant infrastructure costs for both regulated and unregulated operations, which could require utility consumers to subsidize unregulated customers and allow the unregulated affiliate to use this to its advantage in the unregulated gas market. Therefore, the Department recommends including language that makes clear that only reasonable costs attributable to regulated gas operations can be recovered from gas utility customers and that the Commission and Consumer Advocate may access the records of the

unregulated operations of the gas utility affiliates. This will ensure that only reasonable costs incurred by unregulated operations are attributable to renewable utility gas and recovered from customers of the regulated gas utility.

The Department supports the proposed study the Commission is supposed to conduct with the assistance of the Hawaii Natural Energy Institute (HNEI). This study will be useful in evaluating the potential impacts on customers and the reasonableness of potential targets. The Department notes this bill does not address unregulated gas competitors, such as Oahu Gas. As these unregulated competitors will be able to continue selling gas that is not from a renewable source, the Department respectfully suggests that the Legislature require that the study examine Hawaii's regulated and unregulated gas industries to determine the market's ability to adhere to an RPS in a cost-effective manner. This study would help inform reasonable "stretch" goals that can be established for Hawaii's gas industry. Lastly, the Department understands that the Commission and the Hawaii State Energy Office (HSEO) have discussed the state agency that might be best positioned to bring the necessary stakeholders together, as part of the study to be contracted with the HNEI. The Department further understands that the conclusion was that the HSEO should be tasked with producing the study. Thus, the Department respectfully suggests that the Legislature modify the bill to reflect that the HSEO should contract with the HNEI to conduct the proposed study.

Thank you for the opportunity to testify on this bill.

TESTIMONY OF
JAMES P. GRIFFIN, Ph.D.
CHAIR, PUBLIC UTILITIES COMMISSION
STATE OF HAWAII

TO THE
HOUSE COMMITTEE ON
CONSUMER PROTECTION & COMMERCE

February 25, 2020
2:00 p.m.

Chair Takumi and Members of the Committee:

MEASURE: H.B. No. 1242 HD1
TITLE: RELATING TO RENEWABLE ENERGY.

DESCRIPTION: Establishes renewable portfolio standards for gas. Provides means for gas utility companies to achieve the renewable portfolio standards for gas. Requires the public utilities commission (PUC) to conduct a study of the renewable portfolio standards. Appropriates funds to PUC to contract with the University of Hawaii to perform the study. Effective 7/1/2050.

POSITION:

The Public Utilities Commission offers the following comments for consideration.

COMMENTS:

The Commission supports development of cost-effective renewable gas sources as an important component of meeting state energy and climate goals. In recent years, the Commission approved Hawaii Gas' proposed Honouliuli Wastewater Treatment Plant ("HWTP") biogas project with the City and County of Honolulu (see Docket No. 2016-0340) and rate relief for the costs of processing HWTP biogas (see Docket No. 2017-0105).

The Commission has concerns with the language included in §269-B (page 5 lines 14-21 and page 6 lines 1-16), which appears to mirror statutory language from the electricity RPS. Whereas the electric utility has affiliated utilities in Hawaii (i.e., HECO, MECO, and HELCO), Hawaii Gas has no such local utility affiliates. This language could cause

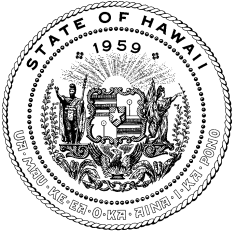
uncertainty about how to calculate achievement of the gas RPS and could result in unintended and unreasonable charges to gas utility customers. Therefore, the Commission recommends removing this section from the measure.

After discussion with the Hawaii State Energy Office (HSEO), the Commission respectfully recommends that responsibility for developing the renewable gas study with the Hawaii Natural Energy Institute (HNEI) be assigned to the HSEO rather than the Commission. The HSEO may be better situated to oversee the study and facilitate collaboration with various industries and stakeholders that would be impacted by the establishment of renewable energy standards, especially with regard to unregulated companies that fall outside the Commission's jurisdiction.

The Commission defers to the HSEO and HNEI on the appropriate source of funding and recommends ensuring that sufficient funds are made available to successfully achieve the study's objectives.

With respect to the scope of the study, the Commission notes that the list of factors under Section 4(c)(10) is quite extensive and may require analysis that is extraneous to the purpose of the study, which is to evaluate "availability, feasibility, and cost of the use of renewable gas." Lines 6 and 7 on page 13, as currently written, grant the study's administrator the flexibility to analyze any additional factors that are deemed appropriate. Therefore, the study may be better served by reducing the list of required considerations to a more focused set of important factors.

Thank you for the opportunity to testify on this measure.



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

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DAVID Y. IGE
GOVERNOR

SCOTT J. GLENN
CHIEF ENERGY OFFICER

(808) 587-3807

Testimony of **SCOTT J. GLENN, Chief Energy Officer**

before the
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Tuesday, February 25, 2020
2:00 PM
State Capitol, Conference Room 329

In SUPPORT of **HB 1242, HD1** **RELATING TO RENEWABLE ENERGY.**

Chair Takumi, Vice Chair Ichiyama, and Members of the Committee, the Hawaii State Energy Office (HSEO) supports, with amendments, HB 1242, HD1, which proposes a renewable portfolio standard (RPS) for utility gas, provides definitions, directs the Public Utilities Commission (PUC) to contract with the Hawaii Natural Energy Institute to conduct an independent renewable gas study, and appropriates funds out of the PUC special fund for the study.

HSEO agrees that the creation of an RPS for utility gas service is consistent with Hawaii's goals to reduce dependence on fossil fuels and to transition to energy sources that produce fewer greenhouse gases. This bill would establish the objective in statute, empower the PUC to evaluate progress toward the objective, provide for feasibility studies regarding the targets, and provide a public process for providing penalties, waivers, or incentives. These are effective mechanisms for rapid progress towards the goal of reduced fossil-fuel dependency in a realistic and cost-effective manner.

Renewable natural gas is currently produced and used in Hawaii, providing valuable energy services, utilizing waste products, and capturing and diverting methane, a potent greenhouse gas, for beneficial use. It is HSEO's understanding that the Hawaii Natural Energy Institute is working on preliminary assessments. We look forward to their results, and to working with them as we develop statewide energy and greenhouse gas strategies incorporating realistic and integrated assessments of resources, economics, and milestones.

HSEO appreciates the statement on page 1 of the bill, beginning on line 6: "it is important that all relevant entities are aligned..." and looks forward to assisting in these efforts as part of HSEO's new responsibilities, established by Act 122 of 2019 and now in Sections 196-71 and 196-72 of the Hawaii Revised Statutes, including:

From Section 196-71(b)(1):

Provide analysis and planning to actively develop and inform policies to achieve energy efficiency, renewable energy, energy resiliency, and clean transportation goals with the legislature, public utilities commission, state agencies, and other relevant stakeholders;

And from Section 196-72(d):

- (1) Formulate, analyze, recommend ... policies, strategies, and plans, in coordination with public and private sector stakeholders, to cost-effectively and equitably achieve the State's energy goals...
- (5) Identify market gaps and innovation opportunities, collaborate with stakeholders, and facilitate public-private partnerships ... to encourage private and public exploration, research, and development of energy resources...
- (12) Act as the State's energy data clearinghouse by identifying, collecting, compiling, analyzing, publishing ... data and analyses...
- (16) Identify and recommend policies to align utility goals with those of ratepayers...

We have discussed with the PUC that the renewable natural gas study proposed in the bill, starting on page 9, line 7, would be an appropriate task to be assigned to HSEO. HSEO notes that the list of items to be covered in the study is quite extensive; removing some of the less easily quantified items on page 12 may allow for a more timely and focused report.

Finally, we would like to note that a variety of entities, not only subsidiaries of the gas utility company, provide fuels (for example, methane, propane, butane, and hydrogen) for use in gas and propane appliances, equipment, vehicles, and generators; not all are regulated by the PUC; and many are not affiliates of the regulated gas service provider.

We look forward to working with the Committee and others on this topic.

Thank you for the opportunity to testify.

Hawaii Bioeconomy Trade Organization

HOUSE OF REPRESENTATIVES / HAWAII STATE SENATE
THE THIRTIETH LEGISLATURE
REGULAR SESSION OF 2020

COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Rep Roy M. Takumi, Chair
Rep Linda Ichiyama, Vice Chair

DATE: February 25, 2020
TIME: 2:00pm
PLACE: Conference Room 329
State Capitol
415 South Beretania Street

TESTIMONY ON HOUSE BILL NO. 1242 HD1, RELATING TO RENEWABLE ENERGY

Position: Comments

To the Honorable Rep Roy M. Takumi, Chair; the Honorable Rep Linda Ichiyama, Vice Chair; and Members of the Committee:

The Hawaii Bioeconomy Trade Organization is made up of the commercial stakeholders in the fuels sector in Hawaii.

We, now as ever, believe that the path towards a renewable future for Hawaii necessarily includes fuels and gases. However, in order to prevent price shocks, stalls and stoppages in service, and economic stress across many sectors, including Hospitality, we believe it is vital to perform a comprehensive study with a detailed scope of work prior to the assigning of arbitrary goals. Though it may look on the surface that creating aggressive goals produces positive long term outcomes, in this case, comparing Renewable Fuels to Renewable Electricity as a blanket approach would cause more harm than good. The Supply Chain and infrastructure for Renewable Fuels must be considered and accommodated for, and include a program to invite investors and new technology, feedstock growth and an increase in local agriculture. The importing of renewable fuels would detract from the overall goal as we must consider carbon life-cycle and impacts of both the process for making the fuel and the transportation of it.

We applaud the Legislature for supporting a thoughtful study prior to implementing any policy initiatives, therefore the section that creates a Renewable Portfolio Standard for fuels and gases at 100% by 2045 is premature and should be either struck from the measure or placed as a dependent to the results of the study.

Therefore, we recommend the review and passing of SB2818/HB2009 as a necessary first step towards a Green Fuels Economy for the State of Hawaii. From this Study we can plan our Green Fuels Future.

Many thanks for your time and consideration.

Carl Campagna
Executive Director
Hawaii Bioeconomy Trade Organization
808-383-7699
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**Healthy Climate
Communities**

Testimony in support of HB1242 HD1

House Committee on Consumer Protection and Commerce

Hearing Tuesday February 25, 2020, 2pm

Dear Chair Takumi, Vice Chair Ichiyama, and Committee members,

I am writing in strong support of HB1242 CD1 which establishes a study to set a schedule of renewable portfolio standards for gas. The gas industry needs to be part of our transition to 100% renewable energy in Hawaii if it wishes to do business here long term.

1. Create an even playing field for all utilities - HECO has renewable portfolio standards that it must meet.
2. There are renewable alternatives and Hawai'i gas is lagging behind other gas companies in its effort to become renewable. Their facility to capture gas from one waste plant makes up 5% of their sales.
3. Hawaii Gas is acting in bad faith by aggressively lobbying against all energy efficiency measures, including ones that will save Hawaii residents significant amounts of money over time such as solar water heaters and efficient building standards.
4. The law is a soft push in the right direction - it includes a study and a list of 10 possible "events or circumstances beyond the gas company's reasonable control" that may be used to avoid sanctions for failure to meet targets.

Mahalo,

Dr. Lisa Marten

Executive Director
HealthyClimateCommunities.org
healthyclimate@hawaii.rr.com



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Consumer Protection and Commerce
Tuesday, February 25, 2020 at 2:00 P.M.
Conference Room 329, State Capitol**

RE: HB 1242 HD1, RELATING TO RENEWABLE ENERGY

Chair Takumi, Vice Chair Ichiyama, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **provides the following comments** on HB 1242 HD1, which requires gas utility companies to establish renewable energy portfolio standards for gas. This bill also requires the public utilities commission (PUC) to conduct a study of the renewable portfolio standards and appropriates funds to PUC to contract with the University of Hawaii to perform the study.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

The Chamber supports the benefits of clean energy and having a more sustainable future; however, we are concerned with the effects such legislation could have when imposing renewable portfolio standards for the gas utility that are identical to those imposed on the electric utility. Given our state's unique nature, we need to consider this and other factors when establishing industry standards to prevent consumers and businesses from having to absorb higher costs. Policies should be shaped so that businesses can have the flexibility to develop and create practical, reasonable and rational solutions to address these important issues.

Regarding the provision in the bill relating to the PUC study, the Chamber is supportive of this study. Through this study, the legislature would be able review and use the information collected to help ensure that any proposed renewable energy standards on the gas utility are sensible, achievable, and within the budget of consumers.

Thank you for the opportunity to provide comments on this measure.



Email: communications@ulupono.com

HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Tuesday, February 25, 2020 — 2:00 p.m. — Room 329

Ulupono Initiative offers comments on HB 1242 HD 1, Relating to Renewable Energy.

Dear Chair Takumi and Members of the Committee:

My name is Amy Hennessey, and I am the Senior Vice President of Communications & External Affairs at Ulupono Initiative. We are a Hawai'i-based impact investment firm that strives to improve our community's quality of life by creating more locally produced food; increasing affordable clean renewable energy and transportation options; and better managing waste and fresh water resources.

Ulupono offers comments on HB 1242 HD 1, which establishes renewable portfolio standards (RPS) for gas, provides means for gas utility companies to achieve the RPS for gas, requires the Public Utilities Commission (PUC) to conduct a study of the RPS, and appropriates funds to the PUC to contract with the University of Hawaii to perform the study.

Ulupono supports renewable energy diversity in the State's effort to reach its 2045 goal. Having a well-developed and planned approach for gas utility renewable energy standards will prove to have lasting effects on Hawai'i's energy future. Renewable natural gas technologies certainly exist but pushing the gas utility to go to renewable sources as quickly as the electric utility ignores current market and technological realities. Establishing a renewable portfolio standard (RPS) for the gas utility should be done after careful study and that effort should not be used as a reason to delay fixing the well-known defects in the RPS definition for the electric utility.

Thank you for this opportunity to testify.

Respectfully,

Amy Hennessey, APR
Senior Vice President, Communications & External Affairs

Investing in a Sustainable Hawai'i



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented to the
House Committee on Consumer Protection and Commerce
Tuesday, February 25, 2020 at 2:00 p.m.

By
Richard Rocheleau, Director
Hawai'i Natural Energy Institute
And
Michael Bruno, PhD
Provost
University of Hawai at Mānoa

HB 1242 HD1 – RELATING TO REWEWABLE ENERGY

Chair Takumi, Vice Chair Ichiyama, and members of the committee:

The Hawai'i Natural Energy Institute (HNEI) supports this bill and provides the following comments.

HB 1242 HD1 would require gas utility companies to meet a renewable portfolio standard (RPS) of 100 per-cent by 2045, and appropriate funds to the Public Utilities Commission (PUC) to contract with HNEI to conduct a gas RPS study to include, among other things, quantifying the potential and cost of in-state renewable gas production.

HNEI is currently conducting assessments of the potential for producing renewable natural gas (RNG) in the state. These assessments will include an inventory of existing and potential feedstocks, conversion technologies, a review of incentives in other locations, and greenhouse gas emissions impacts of RNG production.

The study contemplated by the bill is both broader than HNEI's current assessments and includes more specific factors to consider. This will help to better understand the range of impacts associated with the 100 per-cent gas RPS requirement, and help identify reasonable interim targets. However, HNEI believes that some of the listed factors such as those listed in section 3(c)(10)(F) effects on the economy, (G) balance of trade, culture, community, environment, land, and water, and (I) demographics, are unclear or overly broad. HNEI requests that these factors be clarified or left for the PUC to determine their practicality and relevance to the study.

Finally, a bill proposing a similar study (SB 2818) was amended in the Senate to change the agency contracting with HNEI to perform the study from the PUC to the Hawai'i State Energy Office. If the committee is considering it, HNEI would support that same change in this bill.

Thank you for the opportunity to comment on HB 1242 HD1.



HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

February 25, 2020, 2:00 P.M.
Room 329
(Testimony is 5 pages long)

TESTIMONY IN STRONG SUPPORT OF HB 1242 HD1

Aloha Chair Takumi, Vice Chair Ichiyama, and Committee members:

Blue Planet Foundation **strongly supports HB 1242 HD1**, a measure to expand the benefits of the renewable portfolio standard to natural gas utility companies. This measure is critical if we hope to achieve our state’s clean energy and climate goals—particularly meeting the commitment to the Paris Climate Agreement (Act 32 of 2017) and target of net carbon neutral by 2045 (Act 15 of 2018). **Simultaneously, the measure will fix the current unfairness in the energy market**, which requires electric utilities, but not gas utilities, to comply with a renewable portfolio standard. Without a policy for gas, Hawai’i could remain dependent on fossil fuels for decades and fail to achieve its critical climate goals.

Given the existential threat of climate change to Hawai’i’s economy and way of life, it is time to set an expiration date on all fossil fuel use in Hawai’i—not just certain companies or certain sectors. Passing HB 1242 HD1 is essential for **accelerating progress** and ensuring **consistency, fairness, and consumer confidence** in Hawai’i’s 100% renewable energy target.

THE SUCCESS AND IMPORTANCE OF THE RPS LAW

Hawai’i’s RPS law has been a resounding success. In 2015, the legislature set a vision for Hawai’i’s energy security, economic viability, and environmental protection by setting a target of 100% renewable energy by 2045. The 100% RPS law has since impacted the energy system exactly as intended, and is driving energy progress in the state. It has unlocked innovation, strengthened collaborations, and fostered alignment on a variety of regulatory and technology issues. With strong Public Utilities Commission guidance and oversight, Hawai’i’s 100% RPS is resulting in utility long-range plans that will achieve the mandate ahead of schedule, while simultaneously saving consumers billions of dollars compared to the fossil fuel status quo.

The 100% RPS has set market expectations. Hawai’i is now securing 100% renewable energy projects, able to provide energy at any time of day or night, for a stable cost that is substantially

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less than the cost of fossil fuel. Recent renewable energy contracts between developers and the electric utility are set to deliver clean energy at record low prices, proving it is possible to generate clean electricity far cheaper than from fossil fuels.¹ The power from these projects will be as low as 8 cents per kilowatt-hour (kWh), with most coming in below 10 cents per kWh. Even the highest-priced project is substantially lower than the 15 cents per kWh average cost to produce electricity from fossil fuels. By comparison, just a few years ago, Hawai'i was considering importing liquefied natural gas (LNG)—another fossil fuel—to generate electricity for 15 to 20 cents per kWh.

100% RPS FOR GAS UTILITIES IS CRITICAL

Expanding Hawai'i's 100% RPS to apply to gas utility companies is a necessary next step if we hope to achieve our ambitious clean energy and climate targets—particularly meeting the commitment to the Paris Climate Agreement (Act 32 of 2017) and target of net carbon neutral by 2045 (Act 15 of 2018). **At the same time, this policy would fix the current unfairness in the energy market**, which requires electric utilities, but not gas utilities, to comply with a renewable portfolio standard. Without an RPS policy for gas, Hawai'i could remain dependent on fossil fuels for decades and fail to achieve its critical climate goals.

Consumers sometimes confuse “natural gas” with renewable energy. As most commonly used, natural gas is “natural” in the same way that oil and coal are “natural.” **Natural gas is a fossil fuel.** It is not renewable, and it is inconsistent with a shift to 100% renewable energy. On the mainland, natural gas is now responsible for more climate-heating emissions than coal is. Globally, fossil gas is the fastest-growing source of climate change emissions, according to study published in Environmental Research Letters last month.²

In Hawai'i, a former Hawaii Gas executive has called attention to the folly of promoting fossil natural gas use in the islands. In written testimony on January 23, 2020, to the Honolulu City Council regarding Bill 25 (2019), former Hawaii Gas Executive Vice President Joseph Boivin wrote: “Promoting the use of natural gas or propane, renewable or not, does not make sense in Hawaii, and especially so given the impact that we know fossil fuels are having on our environment.” In regards to using gas water heaters over solar water heaters, he wrote: “Despite the claims, the economics do not in any way favor the ongoing use of gas energy over the sun. To argue otherwise is disingenuous and ludicrous.”³

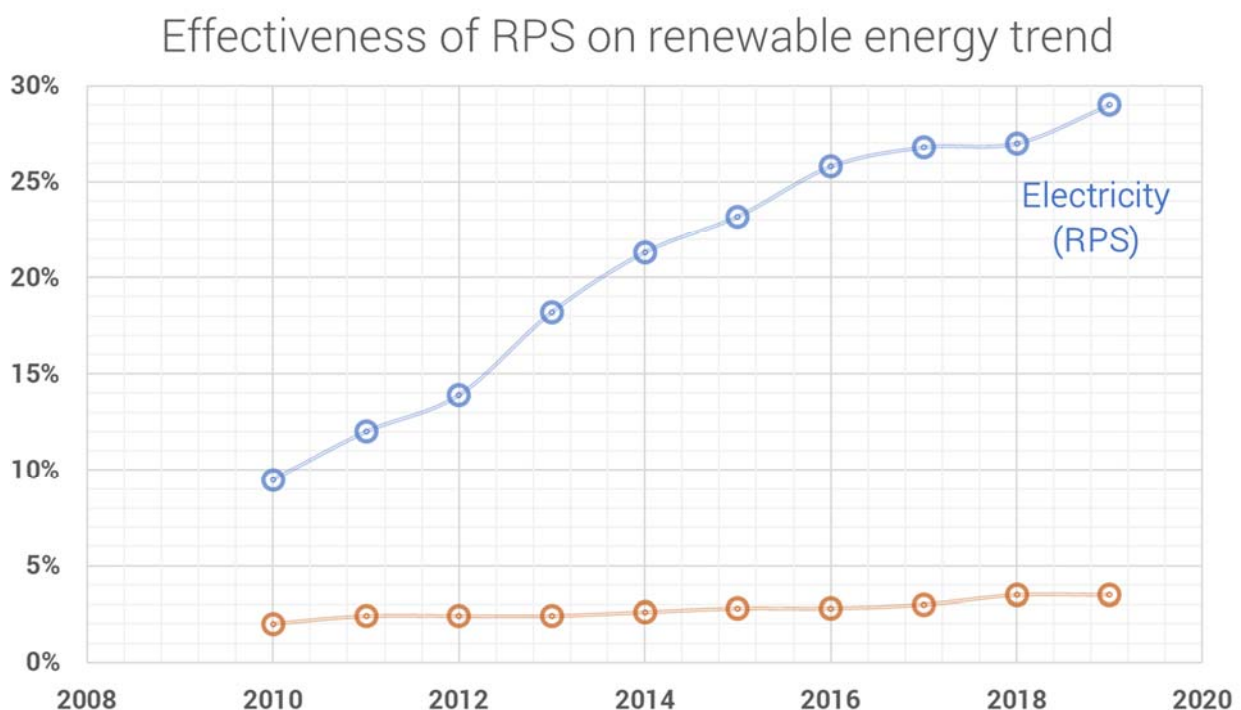
¹ See <https://www.hawaiielectric.com/new-solar-plus-storage-projects-set-low-price-benchmark-for-renewable-energy-in-hawaii>

² R B Jackson, et al. 2019. Environmental Research Letters. 14, 121001

³ Written testimony of Joseph Boivin to the Honolulu City Council Committee on Zoning, Planning and Housing on Bill 25. January 23, 2020. Available at [http://www4.honolulu.gov/docushare/dsweb/Get/Document-250019/M-0040\(20\).PDF](http://www4.honolulu.gov/docushare/dsweb/Get/Document-250019/M-0040(20).PDF)

HAWAI'I'S RENEWABLE GAS PERCENTAGE IS FAR BEHIND RENEWABLE ELECTRICITY

It is clear, however, that renewable standards are required to ensure that Hawaii Gas continue to increase the amount of renewable gas in their system. Despite promises over the past decade about increasing the use of renewable gas, the actual use of RNG has remained nearly flat. The chart below, using data from the statutorily required renewable energy annual reports,⁴ compares the renewable progress made by the electric utility versus the gas utility. The electric utility has steadily increasing renewable goals set for by the RPS.



Hawaii Gas previously stated that they plan to “diversify our feed stock to include gas from renewable resources such as landfill gas and bio-methane, and other renewable sources, including animal fat and plant oils that are locally produced.”⁵ A *Honolulu Advertiser* article from November 22, 2009 discussed the Gas Company’s plans and their belief that integrating high amounts of local feedstock is a good business decision for the company and for customers. In 2009 testimony to the legislature on HB 1464, The Gas Company stated: “We are actively taking the necessary steps to increase the renewable content of our gas to 50 percent for the

⁴ Renewable Energy Annual Reports filed with the Hawaii Public Utilities Commission, available at <http://puc.hawaii.gov/reports/energy-reports/>

⁵ The Gas Company Testimony in Support of HB 1464 HD2, Relating to Energy Resources (Feb. 26, 2009), available at http://www.capitol.hawaii.gov/session2009/testimony/HB1464_HD2_TESTIMONY_FIN_02-27-09_4_.pdf

entire state within five years.”⁶ These statements likely gave some comfort to lawmakers at the time that binding renewable energy targets for natural gas weren’t necessary. Unfortunately, we are seeing the effect of those decisions ten years later.

FOSSIL NATURAL GAS IS BEING BANNED THROUGHOUT THE COUNTRY

An increasing number of cities across the country are banning natural gas for new buildings because of its threat to climate and health. Berkeley, California, was the first, followed in the state by San Jose, Mountain View, Santa Rosa and Brisbane. On the East Coast, Brookline, Massachusetts, last November became the first city in the state to ban new gas hookups. Dozens of other cities, from Cambridge and Newton in Massachusetts to Seattle, are considering similar bans.

RENEWABLE GAS OPTIONS AVAILABLE

Blue Planet recognizes that Hawaii Gas has started to integrate small amounts of renewable natural gas (RNG) into its supply. In December 2018, Hawaii Gas launched its operations at the first renewable natural gas facility in the islands, capturing and processing biogas created during the process of treating wastewater at the Honouliuli Wastewater Treatment Plant on Oahu.⁷ The plant is expected to produce 800,000 therms energy per year, which is equivalent to about 15,000 barrels of oil. Previously, this gas was flared (i.e. burned) at the plant. With this project, the City and County of Honolulu will now derive revenue by selling the gas, rather than wasting it, and bring RNG on O’ahu to roughly 5% of the total gas supply. This is an admirable win-win solution. Blue Planet Foundation strongly supports these efforts to transition to renewable gas.

Scaling this will require the development of additional renewable natural gas sources—particularly identifying new solutions for local private and public entities, such as that developed with Honouliuli. These might include: wastewater treatment facilities, landfills, other waste sources, local crops, or renewable hydrogen. Suppliers in other locations may also become an option. In the continental U.S., Clean Energy Fuels Corp. is currently marketing a renewable natural gas product called “Redeem.” This is collected from various waste sources, such as landfills and farms, and then distributed across the country via a natural gas pipeline system. It is presently used to fuel thousands of vehicles each day.

Beyond using waste gas from sewage treatment and landfills, the gas utility has raised concerns about the viability, cost, and available volume of locally produced feedstock for renewable gas. While this may present real challenges, renewable natural gas is not the only option for the incumbent gas utility. Renewably produced hydrogen presents a perfect opportunity as a

⁶ *Id.*

⁷ See <https://www.bizjournals.com/pacific/news/2018/12/20/hawaii-gas-completes-first-renewable-gas-facility.html>.

sustainable fuel—one with tremendous growth potential. Hydrogen—the most common element in the universe—will likely play a key role in our clean energy future, particularly in the transportation sector. Hydrogen can be used as a storage fuel, where hydrogen is created from geothermal, wind, or solar energy and stored (in pure gas, compressed, some chemical state, or through another medium) and used later in combustion or fuel cell applications.

Progressive gas companies around the globe are exploring the use of renewable hydrogen as a replacement for their natural gas sales. In Australia, Evoenergy and Canberra Institute of Technology are testing the direct conversion of natural gas infrastructure and pipelines to hydrogen.⁸ In the United Kingdom, three natural gas distributors have detailed plans to convert the UK's residential gas system to a hydrogen delivery system. UK firms Northern Gas Networks and Cadent, as well as Norwegian gas firm Equinor, suggested an initial roll-out of the program to 3.7 million homes and 400,000 businesses in Northern England could commence as soon as 2028.⁹

Establishing an RPS for gas in Hawai'i will help foster the transition to low-carbon replacements for natural gas, and could help unlock a transformation to a hydrogen-based clean energy system for the state.

In the interest of achieving our state's critical clean energy and climate goals, robust state energy policy, fairness, and unlocking innovation, Blue Planet Foundation strongly supports establishing a gas RPS via HB 1242.

CONCLUSION

Blue Planet Foundation strongly supports HB 1242 HD1 to help **accelerate Hawai'i's clean energy progress, increase fairness across the energy sectors, and spur innovation and development in new, locally produced, renewable fuels**. This is an important measure for ensuring consistency, fairness, and consumer confidence in Hawai'i's 100% renewable energy target.

We look forward to working with the legislature on this key policy.

Thank you for the opportunity to testify.

⁸ Canberra Institute of Technology, "Nation's first hydrogen test station at CIT Fyshwick," December 4, 2018 (https://cit.edu.au/news/hydrogen_test_station).

⁹ <https://arstechnica.com/science/2018/11/natural-gas-distributors-outline-proposal-to-convert-home-heating-to-hydrogen/>

HB-1242-HD-1

Submitted on: 2/23/2020 9:28:04 PM

Testimony for CPC on 2/25/2020 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Sylvia Dolena	Pele Lani Farm LLC	Support	No

Comments:

As one of 350Hawaii.org's 6,000 members, I strongly support HB 1242, ***but not the amended HD1.***

We are very disappointed by the removal of gas RPS goals for 2025, 2030, and 2040. This neuters the entire bill. It means that gas utilities need not actually do anything for 20 years. And they certainly won't.

350Hawaii.org urges you to restore the intermediate RPS goals and give this bill back its teeth.

Mahalo,

Sylvia Dolena

HB-1242-HD-1

Submitted on: 2/23/2020 6:54:40 PM

Testimony for CPC on 2/25/2020 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Climate Protector	Climate Protectors Coalition	Comments	No

Comments:

To: The House Committee on Consumer Protection & Commerce

From: Climate Protectors Coalition

Date: Tuesday, February 25, 2020, 2:00 pm

Comment: Make natural gas companies meet RPS standards as soon as feasible

Dear Chair Takumi, Vice Chair Ichiyama and members:

The Climate Protectors Coalition urges amending HB 1242 HD 1 to require companies selling natural gas to meet renewable portfolio standard (RPS) goals as soon as feasible. The original HB1242 had interim gas RPS goals for 2025, 2030, and 2040, which unfortunately were removed in HD1.

Since 2015, when gas companies were exempted from the Hawaii RPS requirements faced by other energy companies, the climate crisis has become much more immediate! Fossil fuel natural gas is mostly methane, a greenhouse gas that is much more potent than carbon dioxide. The Earth is on fire! We cannot wait until 2045 to address the terrible climate effects of fossil fuel natural gas production (including well leaks and fracking), transport and burning.

Gas companies need to do their part to develop renewable gas alternatives and meet Hawaii's zero emissions goals. They should not be exempt from helping to reduce the climate crisis!

Please amend this bill and require that gas companies meet RPS goals as soon as feasible. Mahalo!



183 Pinana St., Kailua, HI 96734 • 808-262-1285 • info@350Hawaii.org

To: The House Committee on Consumer Protection & Commerce
From: Brodie Lockard, Founder, 350Hawaii.org
Date: Tuesday, February 25, 2020, 2:00 pm

In strong support of HB 1242

Dear Chair Takumi, and members:

350Hawaii strongly supports HB 1242, *but not the amended HD1*.

We are very disappointed by the removal of gas RPS goals for 2025, 2030, and 2040. This neuters the entire bill. It means that gas utilities need not actually do anything for 20 years. And they certainly won't.

350Hawaii.org urges you to restore the intermediate RPS goals and give this bill back its teeth.

As part of the 2015 compromise to pass the law for a 2045 clean energy goal, Hawaii gas utilities were exempted from setting or meeting any renewable energy portfolio standard (RPS). This exemption gave them an unfair advantage in the energy market, and it is long past time to correct it.

If gas utilities cannot meet the same RPS as other utilities, the legislature needs to know that immediately, so it can reduce their greenhouse gas (GHG) emissions in some other way. The study proposed in HB 1242 would decide this. The Climate Crisis gives no one a free pass.

Gas utilities need to contribute to Hawaii's zero-emission goals as much as other Hawaii power utilities do. They need to meet the same RPS.

The Liquefied Natural Gas (LNG) and other gas that Hawaii gas utilities use need to be regulated just as much as coal and oil. Hawaii's imported LNG includes gas produced by fracking, which contributes to all manner of calamities from breast cancer to flammable tap water to earthquakes [1]. It is 84 times as potent a GHG as CO₂ over a 20-year period [2].

And LNG doesn't just produce carbon when it's used (almost half as much as coal [3]). It also leaks: at drilling sites, along pipelines, at compression stations, at storage facilities and throughout the networks of piping that carry it to homes [4]. Washington, D.C. alone has 5,893 natural gas leaks [5]. Transporting LNG to Hawaii also burns fuel, producing additional GHGs.

350Hawaii urges you to pass HB 1242 *with the intermediate RPS goals reinserted*. Don't let gas utilities skate while Hawaii suffers.

Brodie Lockard
Founder, 350Hawaii.org

- [1] <https://www.pbs.org/newshour/science/earthquakes-triggered-by-fracking>
- [2] <https://www.edf.org/methane-other-important-greenhouse-gas>
- [3] <https://www.americangeosciences.org/critical-issues/faq/how-much-carbon-dioxide-produced-when-different-fuels-are-burned>
- [4] <https://fivethirtyeight.com/features/methane-is-leaking-all-over-the-place/>
- [5] <http://pubs.acs.org/doi/full/10.1021/es404474x>



February 24, 2020

**TESTIMONY PROVIDING COMMENTS ON
HOUSE BILL 1242, HOUSE DRAFT 1, RELATING TO RENEWABLE ENERGY**

House Committee on Consumer Protection & Commerce
The Honorable Roy Takumi, Chair
The Honorable Linda Ichiyama, Vice Chair

Tuesday, February 25, 2020 at 2:00 p.m.
State Capitol, Conference Room 329

Chair Takumi, Vice Chair Ichiyama and members of the Committee,

Thank you for this opportunity to submit written testimony commenting on House Bill 1242, House Draft 1, Relating to Renewable Energy. My name is Lance Tanaka, vice president of government and public affairs for Par Hawaii. Par Hawaii, LLC and Par Hawaii Refining, LLC are subsidiaries of Texas-based Par Pacific Holdings, Inc. Par Hawaii operates the state's only petroleum refinery, markets fuels through a statewide network of Hele- and 76-branded retail locations, and distributes fuels via pipelines on Oahu and on barges to all major harbors in the state.

House Bill 1242, House Draft 1 establishes renewable portfolio standards for gas; provides means for gas utility companies to achieve the renewable portfolio standards for gas; requires the public utilities commission (PUC) to conduct a study of the renewable portfolio standards; appropriates funds to contract with the University of Hawaii to perform the study. Effective 7/1/2050.

Par Hawaii provides the following comments.

As a supporter of Hawaii's clean energy goals, Par Hawaii also supports the need for conducting a comprehensive study *prior to* enacting RPS legislation for gas. We believe this sequencing is necessary to avoid any unintended consequences that could be detrimental to consumers.

Par Hawaii would appreciate being included in the study to be conducted by the University of Hawaii through the Public Utilities Commission. In particular, we feel we can contribute toward studying the effects of renewable portfolio standards for gas on consumer rates and fossil fuel volatility.

Thank you for allowing Par Hawaii the opportunity to present these comments for the Committee's consideration.

HB-1242-HD-1

Submitted on: 2/24/2020 10:04:16 AM

Testimony for CPC on 2/25/2020 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Joseph Kohn MD	We Are One, Inc. - www.WeAreOne.cc - WAO	Support	No

Comments:

In strong support of HB 1242

Dear Chair Takumi, and members:

As one of 350Hawaii.org's 6,000 members, I strongly support HB 1242, ***but not the amended HD1.***

We are very disappointed by the removal of gas RPS goals for 2025, 2030, and 2040. This neuters the entire bill. It means that gas utilities need not actually do anything for 20 years. And they certainly won't.

350Hawaii.org urges you to restore the intermediate RPS goals and give this bill back its teeth.

As part of the 2015 compromise to pass the law for a 2045 clean energy goal, Hawaii gas utilities were exempted from setting or meeting any renewable energy portfolio standard (RPS). This exemption gave them an unfair advantage in the energy market, and it is long past time to correct it.

If gas utilities cannot meet the same RPS as other utilities, the legislature needs to know that immediately, so it can reduce their greenhouse gas (GHG) emissions in some other way. The study proposed in HB 1242 would decide this. The Climate Crisis gives no one a free pass.

Gas utilities need to contribute to Hawaii's zero-emission goals as much as other Hawaii power utilities do. They need to meet the same RPS.

The Liquefied Natural Gas (LNG) and other gas that Hawaii gas utilities use need to be regulated just as much as coal and oil. Hawaii's imported LNG includes gas produced by fracking, which contributes to all manner of calamities from breast cancer to

flammable tap water to earthquakes [1]. It is 84 times as potent a GHG as CO2 over a 20-year period [2].

And LNG doesn't just produce carbon when it's used (almost half as much as coal [3]). It also leaks: at drilling sites, along pipelines, at compression stations, at storage facilities and throughout the networks of piping that carry it to homes [4]. Washington, D.C. alone has 5,893 natural gas leaks [5]. Transporting LNG to Hawaii also burns fuel, producing additional GHGs.

350Hawaii urges you to pass HB 1242 ***with the intermediate RPS goals reinserted.*** Don't let gas utilities skate while Hawaii suffers.

www.WeAreOne.cc



**Testimony to the
Committee on Consumer Protection & Commerce**

Tuesday, February 25, 2020

2:00 PM

Conference Room 329, Hawaii State Capitol

House Bill 1242 HD1

Chair Takumi, Vice Chair Ichiyama, and members of the Committee,

Hawaii Gas **offers comments on HB 1242 HD1**, which establishes a renewable portfolio standard for gas and requires the PUC to conduct a study regarding the availability, feasibility, and costs of the use of renewable gas in Hawaii by gas utility companies with an appropriation.

COMMENTS

Hawaii Gas supports the study that was amended in HB1242 HD1 in Section 4 but strongly opposes Section 2 and Section 3 mandating a 100% Renewable Portfolio Standard by 2045 and its consequences and penalties, which will impact the customer. Requiring an RPS before the results of a thorough and thoughtful study is contradictory, counterproductive, and costly to the consumers and taxpayers who are funding it.

SMALL FOOTPRINT, NATIONAL LEADER

While we represent less than 2% of the state's energy demand and less than 1% of its carbon emissions, we are committed to using as much renewable gas in our pipeline as possible, and we continue to take action to meet Hawaii's 2045 carbon neutrality goal, together, in an affordable, resilient, and sustainable way for our ratepayers and Hawaii's communities. In addition, Hawaii Gas is one of a very few gas utilities with renewable gas and hydrogen already in its pipeline today.

As with many issues we face in Hawaii, the work and research from the mainland doesn't always adequately inform our unique conditions and circumstances. The mainland's renewable gas R&D and usage has been focused on transportation alternatives and heating solutions, not utilizing renewable gas by gas utilities. We lead the nation in utilizing hydrogen, with the highest percent concentration in a pipeline than any other gas utility in the country, and our renewable gas work is award-winning and some of the nation's most innovative.

GAS AND OUR STATE'S RESILIENCY

It is also important to keep in mind the vital role gas plays in our state's resiliency solutions to ensure public safety, health, and recovery. From lava flows to Hurricanes Iniki, Lane, and others, our residents rely on gas and stock up on vital supplies for cooking, water heating, and other needs when disasters force them to self-sufficiency, often for extended times. Hawaii Gas has been committed to its employees and the people and communities of Hawaii for over 115



years. We take very seriously our critical role in the state's environment and resiliency, and we understand all too well that our residential and commercial customers depend on us to provide this service at a cost they can afford.

THE GAS UTILITY, REGULATORS, AND POLICY MAKERS' OBLIGATION

Many talk of the benefits of renewable gas, and we agree. But it's ultimately the obligation and responsibility of the gas utility, policy makers, and regulators to responsibly analyze the significant impacts on the generation sources, pipeline, consumers, resiliency, reliability and safety.

We believe that the transition to renewable gas fuel sources must be carefully studied so that the transition can occur in a responsible, reliable, and cost-effective way for the people of Hawaii. Some advocate for visionary goals, as this bill proposes by establishing an RPS for the gas utility by 2045, arguing that such goals spur innovation. Unfortunately, the opposite is true. Market forces and incentives spur innovation, not mandates. Such goals—established before the research is done to gather, review, and analyze data to determine feasibility, best courses-of-action, technology and other critical factors—create chaos and leave the burden of those moon-shots on the back of the consumers through higher costs and instability.

VISIONARY GOALS AND LESSONS LEARNED

We, too, have made that visionary mistake, and we've learned hard lessons about speaking boldly before science and feasibility support the statements. A former executive testified in 2009, for example, that the company was taking steps towards 50% renewable content within five years when the science and path forward had not been clearly charted and tested. The company embarked upon an ambitious multi-year project, investing millions, only to learn that the project could not succeed. That experience taught us that the hard work to get there needs to come first, so that visionary statements can be backed up with data that validates the possibilities of creating reliable, sustainable renewable gas at scale. Similarly, others in the community might opine on what's possible, but without the insight on issues of supply, technology, land availability, and costs, those statements are at best uninformed opinions.

This legislature is wisely considering how taxpayer dollars are spent, working to ensure that those expenditures make life better for the people of Hawaii. Creating a law that requires the regulators to invest time and resources into an arbitrarily mandated set of markers is an exercise in frustrating futility when those resources are much better spent understanding what's possible first.

HRS §269-95 (renewable portfolio standards study) requires the public utilities commission to contract with Hawaii natural energy institute to study the capability of Hawaii's electric utility companies to achieve renewable portfolio standards in a cost-effective manner before any standards were advanced for the electric utilities. That study, required every 5 years, established the blueprint from which meaningful, science-driven, attainable, and sustainable changes could be made by the electric utilities.



Renewable gas has **never** been afforded a locally focused study, and it is critically important to assess the feasibility as well as the true cost and impact on ratepayers. Does Hawaii have the resources in-state to create reliable renewable natural gas and hydrogen, and are those resources available to the gas utility? With the state’s limited prime lands in high and competitive demand by agriculture, solar, affordable housing, and energy crops, what are the impacts of the competing demands and the numerous legislative priorities that establish land use policy? The study created by this bill provides for these items to be carefully studied.

APPLES AND ORANGES: RENEWABLE ELECTRICITY AND RENEWABLE GAS

Electric independent power producers can access abundant potential resources for renewable electricity, such as from the sun, wind and biomass. They also enjoy federal and state tax credits. This is not the case for renewable gas, as readily available resources to create renewable gas in Hawaii are sparse.

On the mainland, there are four known ways to create renewable gas: capture methane produced from dairy farm manure, capture methane produced from wastewater treatment plants and landfills, produce hydrogen from renewable sources, or grow crops and process them through biodigesters. In Hawaii, those options narrow to three with the loss of our dairy farms. Local production would require access to local resources, such as methane, land, water, farmers, labor and curtailed renewable energy. As knowledgeable stakeholders agree, for scalable projects to be feasible, all of these options require access to this source material, all of which is owned and controlled by others.

Alternatively, some suggest that renewable gas can be imported, even at potentially greater cost, safety, and greenhouse gas impacts, simply to fulfill a mandate. Whether locally produced or imported, each option comes with availability, cost, feasibility, reliability of supply, and greenhouse gas emissions challenges that must be carefully weighed.

HAWAII GAS INNOVATION: RENEWABLE GAS AND HYDROGEN

The renewable gas development at Honolulu’s City and County Honouliuli waste water treatment plant is an award-winning facility that has demonstrated great promise in utilizing waste product to create renewable gas. While this project has been called a “win-win” by all knowledgeable stakeholders, unfortunately, that competitively procured supply contract expires in 2024, essentially eliminating this precious resource needed to produce renewable gas and thwarting our progress.

Similarly, hydrogen has long been a critical element of our operations and pipeline, well before others looked to it as a source of renewable gas. As the industry continues to evolve in its recognition of hydrogen’s importance, we’re honored to be at the forefront of our industry to share our learnings. Hawaii Gas leads the nation with hydrogen in its pipeline, and we are contributing our real-world experience in this field to other gas utilities as part of the “global



exploration into the potentials of a ‘hydrogen economy.’”¹ There are several trials and pilot projects happening outside the U.S. as well, including one in the UK with our sister company, Cadent, where we are learning from each other. These projects in the UK, Australia, Norway and elsewhere are all pilot programs in the planning, time-limited, and testing stage, either still in a lab or on a very small and controlled footprint. In contrast, our hydrogen is already in our pipeline and going to consumers across the island at amounts greater than anywhere in the nation. As research continues in this space, we will contribute our learnings from our time-tested hydrogen flow in our pipeline already in place.

DO THE STUDY FIRST: WE OWE IT TO CONSUMERS

The study in this bill will bring data-driven knowledge to expanding the percentage of hydrogen in the distribution pipeline beyond current safety-proven amounts, answering questions such as these: What is the stability impact on the pipeline system when greater amounts of hydrogen are introduced? What are the impacts to the consumer, where appliances have not been certified and warranted to operate effectively and safely with greater hydrogen? Will the fuel perform as expected, particularly when used for cooking, and are there safety concerns that should first be considered? All of these issues need to be carefully considered, addressed, and the challenges met before substantially greater hydrogen can be introduced.

We know that Hawaii residents are facing dire economic struggles. People struggle to make ends meet and find affordable housing, forcing many of them to leave Hawaii entirely. It’s impossible to ignore the ALICE report’s troubling finding that 37% face severe financial hardship and poverty. Parity and fairness should be focused on the ratepayer, and we remain mindful that embarking on setting mandates without sound study and planning can have an adverse impact on their pocketbooks.

Even now, the Legislature contemplates changing the RPS for electric utilities. The legislature is posing wise questions: are the 100% RPS by 2045 and interim targets realistic, too low, or a vision that is unrealistically out of reach? Are the terms in the original statute correctly defined?

Hawaii Gas supports an appropriate, objective, and science and technology driven study to explore the feasibility of using more renewable gas by gas utilities. These studied findings will be compiled and reviewed by energy experts and will address the many questions that must be answered to inform the legislature.

Scattershot mandates narrow the lanes of opportunity for renewable technologies, effectively picking winners and losers before we know the extent of what’s possible. We believe it’s in everyone best interests — and especially our consumers and our future generations — to keep open all the potential lanes of innovation so that we can meet the state’s goals and best preserve our fragile environment.

¹ <https://www.theguardian.com/environment/2020/jan/24/hydrogen-uk-gas-grid-keele-university>



For these reasons, we strongly support the study created by this bill but ask that the references to 100 % RPS mandate be removed so that the work can be done to determine what's feasible before asking consumers to bear the burden of uncertainty.

Thank you for the opportunity to testify.

HB-1242-HD-1

Submitted on: 2/20/2020 5:49:10 PM

Testimony for CPC on 2/25/2020 2:00:00 PM

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

Comments:

Dear Honorable Committee Members:

Please support HB1242. Our coral reefs are dying due in large part to warming oceans, and valuable coastline is eroding due to sea level rise. Climate change is already occurring. We need to be a leader in renewable energy.

Thank you for the opportunity to present my testimony.

Sincerely,

Andrea Quinn

Kihei, Maui

HB-1242-HD-1

Submitted on: 2/23/2020 9:09:40 PM

Testimony for CPC on 2/25/2020 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
tlaloc tokuda	Individual	Support	No

Comments:

To: The House Committee on Consumer Protection & Commerce

From: **Tlaloc Tokuda**

Date: Tuesday, February 25, 2020, 2:00 pm

In strong support of HB 1242

Dear Chair Takumi, and members:

As one of 350Hawaii.org's 6,000 members, I strongly support HB 1242, ***but not the amended HD1.***

We are very disappointed by the removal of gas RPS goals for 2025, 2030, and 2040. This neuters the entire bill. It means that gas utilities need not actually do anything for 20 years. And they certainly won't.

350Hawaii.org urges you to restore the intermediate RPS goals and give this bill back its teeth.

As part of the 2015 compromise to pass the law for a 2045 clean energy goal, Hawaii gas utilities were exempted from setting or meeting any renewable energy portfolio standard (RPS). This exemption gave them an unfair advantage in the energy market, and it is long past time to correct it.

If gas utilities cannot meet the same RPS as other utilities, the legislature needs to know that immediately, so it can reduce their greenhouse gas (GHG) emissions in some other way. The study proposed in HB 1242 would decide this. The Climate Crisis gives no one a free pass.

Gas utilities need to contribute to Hawaii's zero-emission goals as much as other Hawaii power utilities do. They need to meet the same RPS.

The Liquefied Natural Gas (LNG) and other gas that Hawaii gas utilities use need to be regulated just as much as coal and oil. Hawaii's imported LNG includes gas produced by fracking, which contributes to all manner of calamities from breast cancer to flammable tap water to earthquakes [1]. It is 84 times as potent a GHG as CO₂ over a 20-year period [2].

And LNG doesn't just produce carbon when it's used (almost half as much as coal [3]). It also leaks: at drilling sites, along pipelines, at compression stations, at storage facilities and throughout the networks of piping that carry it to homes [4]. Washington, D.C. alone has 5,893 natural gas leaks [5]. Transporting LNG to Hawaii also burns fuel, producing additional GHGs.

350Hawaii urges you to pass HB 1242 ***with the intermediate RPS goals reinserted***. Don't let gas utilities skate while Hawaii suffers.

Tlaloc Tokuda

Kailua Kona, HI 96740

[1] <https://www.pbs.org/newshour/science/earthquakes-triggered-by-fracking>

[2] <https://www.edf.org/methane-other-important-greenhouse-gas>

[3] <https://www.americangeosciences.org/critical-issues/faq/how-much-carbon-dioxide-produced-when-different-fuels-are-burned>

[4] <https://fivethirtyeight.com/features/methane-is-leaking-all-over-the-place/>

[5] <http://pubs.acs.org/doi/full/10.1021/es404474x>

HB-1242-HD-1

Submitted on: 2/23/2020 9:25:32 PM

Testimony for CPC on 2/25/2020 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Noel Morin	Individual	Comments	No

Comments:

Dear Chair Takumi, and members:

While I strongly support HB 1242, the latest version (HD1) is not acceptable.

The removal of interim RPS goals is problematic as it will not encourage aggressive near-term interventions and likely will not allow for the incremental emissions reductions that would otherwise be seen.

For a critical and aggressive 2045 goal to be hit, interim progress milestones are necessary.

Please include interim goals to HB1242.

Thank you,

Noel Morin - Hilo

HB-1242-HD-1

Submitted on: 2/23/2020 11:23:56 PM

Testimony for CPC on 2/25/2020 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Melanie Tantisira	Individual	Support	No

Comments:

To: The House Committee on Consumer Protection & Commerce

From: **Melanie Tantisira**

Date: Tuesday, February 25, 2020, 2:00 pm

In strong support of HB 1242

Dear Chair Takumi, and members:

As one of 350Hawaii.org's 6,000 members, I strongly support HB 1242, ***but not the amended HD1.***

We are very disappointed by the removal of gas RPS goals for 2025, 2030, and 2040. This neuters the entire bill. It means that gas utilities need not actually do anything for 20 years. And they certainly won't.

350Hawaii.org urges you to restore the intermediate RPS goals and give this bill back its teeth.

As part of the 2015 compromise to pass the law for a 2045 clean energy goal, Hawaii gas utilities were exempted from setting or meeting any renewable energy portfolio standard (RPS). This exemption gave them an unfair advantage in the energy market, and it is long past time to correct it.

If gas utilities cannot meet the same RPS as other utilities, the legislature needs to know that immediately, so it can reduce their greenhouse gas (GHG) emissions in some other way. The study proposed in HB 1242 would decide this. The Climate Crisis gives no one a free pass.

Gas utilities need to contribute to Hawaii's zero-emission goals as much as other Hawaii power utilities do. They need to meet the same RPS.

The Liquefied Natural Gas (LNG) and other gas that Hawaii gas utilities use need to be regulated just as much as coal and oil. Hawaii's imported LNG includes gas produced by fracking, which has many disastrous side effects from breast cancer to flammable tap water to earthquakes [1]. It is 84 times as potent a greenhouse gas (GHG) as CO₂ over a 20-year period [2].

And LNG doesn't just produce carbon when it's used (almost half as much as coal [3]). It also leaks: at drilling sites, along pipelines, at compression stations, at storage facilities and throughout the networks of piping that carry it to homes [4]. Washington, D.C. alone has 5,893 natural gas leaks [5]. Transporting LNG to Hawaii also burns fuel, producing additional GHGs.

350Hawaii urges you to pass HB 1242 ***with the intermediate RPS goals reinserted***. Don't let gas utilities skate while Hawaii suffers.

Melanie Tantisira

HB-1242-HD-1

Submitted on: 2/23/2020 9:43:47 PM

Testimony for CPC on 2/25/2020 2:00:00 PM

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

Comments:

The amendments made in HB1242 HD1, including to remove the intermediate milestones for the renewable energy portfolio standard (RPS), have made this bill useless. Please restore this bill to its original form, but with accelerated targets that are aligned with the recommendations in the IPPC report. Targeting 2030 to achieve 100% renewable energy would be consistent with what has already been proposed nationally in the Green New Deal.

Gas utilities need to contribute to Hawaii's zero-emission goals as much as other Hawaii power utilities do. They need to meet the same RPS, and they should be doing so now.

The exemption of Hawaii gas utilities from setting or meeting any RPS gives them an unfair advantage in the energy market and works against Hawaii's efforts to transition to clean, renewable energy. Gas utilities should be in line with other Hawaii power utilities, enforcing their contribution to Hawaii's zero-emission goals. Requiring an RPS for them is the simplest and fairest way to accomplish this.

The gas utility has known for a very long time that the lifecycle emissions associated with liquefied natural gas (LNG) are destroying our planet. Rather than voluntarily focusing their full efforts into transforming their company into one that provides non-climate destroying energy, they have instead chosen to expand their use of LNG and work against legislative efforts that would help us move away from natural gas. They have clearly proven that unless they are legislated to do so, they will not do what is right and responsible for our community.

Scientists have made it clear. The window for action is closing. We must move away **now** from our use of natural gas and its climate destroying emissions. Allowing the gas utility to continue their free ride until 2045 is insanity and will only contribute to a future for our children that scientists describe as one that will be filled with untold suffering. It's not too late to take the actions we need to stop climate catastrophe. Remove the amendments from HB1242 and let Hawaii do our part to contribute to a livable future for our children.

Thank you for this opportunity to testify.

HB-1242-HD-1

Submitted on: 2/24/2020 7:34:07 AM

Testimony for CPC on 2/25/2020 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
helen raine	Individual	Support	No

Comments:

In strong support of HB 1242

Dear Chair Takumi, and members:

As one of 350Hawaii.org's 6,000 members, I strongly support HB 1242, ***but not the amended HD1.***

We are very disappointed by the removal of gas RPS goals for 2025, 2030, and 2040. This neuters the entire bill. It means that gas utilities need not actually do anything for 20 years. And they certainly won't.

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350Hawaii urges you to pass HB 1242 ***with the intermediate RPS goals reinserted.*** Don't let gas utilities skate while Hawaii suffers.

I hope that you will do the right thing for our children and the planet.

Helen Raine

HB-1242-HD-1

Submitted on: 2/24/2020 8:28:22 AM

Testimony for CPC on 2/25/2020 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
william metzger	Individual	Support	No

Comments:

HB-1242-HD-1

Submitted on: 2/24/2020 8:39:30 AM

Testimony for CPC on 2/25/2020 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Douglas Hagan	Individual	Support	No

Comments:

To: The House Committee on Consumer Protection & Commerce

From: **Doug Hagan**

Date: Tuesday, February 25, 2020, 2:00 pm

In strong support of HB 1242

Dear Chair Takumi, and members:

As one of 350Hawaii.org's 6,000 members, I strongly support HB 1242, ***but not the amended HD1.***

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If gas utilities cannot meet the same RPS as other utilities, the legislature needs to know that immediately, so it can reduce their greenhouse gas (GHG) emissions in some other way. The study proposed in HB 1242 would decide this. The Climate Crisis gives no one a free pass.

Gas utilities need to contribute to Hawaii's zero-emission goals as much as other Hawaii power utilities do. They need to meet the same RPS.

The Liquefied Natural Gas (LNG) and other gas that Hawaii gas utilities use need to be regulated just as much as coal and oil. Hawaii's imported LNG includes gas produced by fracking, which contributes to all manner of calamities from breast cancer to flammable tap water to earthquakes [1]. It is 84 times as potent a GHG as CO₂ over a 20-year period [2].

And LNG doesn't just produce carbon when it's used (almost half as much as coal [3]). It also leaks: at drilling sites, along pipelines, at compression stations, at storage facilities and throughout the networks of piping that carry it to homes [4]. Washington, D.C. alone has 5,893 natural gas leaks [5]. Transporting LNG to Hawaii also burns fuel, producing additional GHGs.

350Hawaii urges you to pass HB 1242 ***with the intermediate RPS goals reinserted***. Don't let gas utilities skate while Hawaii suffers.

Doug Hagan

[1] <https://www.pbs.org/newshour/science/earthquakes-triggered-by-fracking>

[2] <https://www.edf.org/methane-other-important-greenhouse-gas>

[3] <https://www.americangeosciences.org/critical-issues/faq/how-much-carbon-dioxide-produced-when-different-fuels-are-burned>

[4] <https://fivethirtyeight.com/features/methane-is-leaking-all-over-the-place/>

[5] <http://pubs.acs.org/doi/full/10.1021/es404474x>

HB-1242-HD-1

Submitted on: 2/24/2020 9:14:16 AM

Testimony for CPC on 2/25/2020 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Roxanne Hu	Individual	Comments	No

Comments:

I live in Kahului and oppose an RPS before the study is complete. Jobs and consumer rates are impacted. Residents are already struggling enough and they do not need more. The state's money should be reserved for solving problems, not creating it.

Gas is a vital element of the state resiliency during disasters and we do not want to endanger that. The state should help Hawaii Gas pursue renewable gas and not be a hinderance to that. Hawaii is already too expensive and mandates as this make it worse.

HB-1242-HD-1

Submitted on: 2/24/2020 9:17:56 AM

Testimony for CPC on 2/25/2020 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Michelle Makii	Individual	Comments	No

Comments:

Aloha,

I live in Wailuku, Maui and I support the study but oppose the establishment of a Renewable Portfolio Standard until the study is complete. Please do your utmost in thoroughly researching this before putting policies or plans into place.

Overall, Hawaii Gas and the State should work together as an ohana having the same goal of achieving renewable energy in Hawaii.

Sincerely,

Michelle

HB-1242-HD-1

Submitted on: 2/24/2020 9:32:48 AM

Testimony for CPC on 2/25/2020 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Mustafa Demirbag	Individual	Oppose	No

Comments:

There needs to be a technical feasibility study before we mandate RPS standards. This is not smart policy. The rates will go up and jobs will be impacted. As it is the residents are already struggling enough. The State should be helping Hawaii Gas pursue renewable gas, not just get in the way.

HB-1242-HD-1

Submitted on: 2/24/2020 9:37:46 AM

Testimony for CPC on 2/25/2020 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
J Riverstone	Individual	Support	No

Comments:

Dear Chair Takumi, and members:

As one of 350Hawaii.org's 6,000 members, I strongly support HB 1242, **but not the amended HD1.**

We are very disappointed by the removal of gas RPS goals for 2025, 2030, and 2040. This neuters the entire bill. It means that gas utilities need not actually do anything for 20 years. And they certainly won't.

350Hawaii.org urges you to restore the intermediate RPS goals and give this bill back its teeth.

As part of the 2015 compromise to pass the law for a 2045 clean energy goal, Hawaii gas utilities were exempted from setting or meeting any renewable energy portfolio standard (RPS). This exemption gave them an unfair advantage in the energy market, and it is long past time to correct it.

If gas utilities cannot meet the same RPS as other utilities, the legislature needs to know that immediately, so it can reduce their greenhouse gas (GHG) emissions in some other way. The study proposed in HB 1242 would decide this. The Climate Crisis gives no one a free pass.

Gas utilities need to contribute to Hawaii's zero-emission goals as much as other Hawaii power utilities do. They need to meet the same RPS.

The Liquefied Natural Gas (LNG) and other gas that Hawaii gas utilities use need to be regulated just as much as coal and oil. Hawaii's imported LNG includes gas produced by fracking, which contributes to all manner of calamities from breast cancer to flammable tap water to earthquakes [1]. It is 84 times as potent a GHG as CO2 over a 20-year period [2].

And LNG doesn't just produce carbon when it's used (almost half as much as coal [3]). It also leaks: at drilling sites, along pipelines, at compression stations, at storage

facilities and throughout the networks of piping that carry it to homes [4]. Washington, D.C. alone has 5,893 natural gas leaks [5]. Transporting LNG to Hawaii also burns fuel, producing additional GHGs.

350Hawaii urges you to pass HB 1242 ***with the intermediate RPS goals reinserted.*** Don't let gas utilities skate while Hawaii suffers.

Thank you

Jerry Riverstone

HB-1242-HD-1

Submitted on: 2/24/2020 10:29:31 AM

Testimony for CPC on 2/25/2020 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Luke M Bailey	Individual	Comments	No

Comments:

Aloha, Chair Takumi, Vice Chair Ichiyama, and Members of the Committee,

As a resident of Hawai'i living in Maui County, I support the study on renewable gas opportunities and the opportunity that the State of Hawai'i has to partner with the subject matter experts of Hawai'i gas utilities to study and develop renewable gas solutions. However, I oppose mandating Hawai'i gas utilities from being required to develop or take part in an RPS without first studying the technical and fiscal feasibilities and getting a better understanding of an appropriate way forward. We must continue to lean on Hawai'i Gas to provide a clean-burning bridge fuel between fossil fuels of other Hawai'i utility providers and renewable energy sources of tomorrow.

Thank you for your time.

Regards,

Dr. Luke Bailey

HB-1242-HD-1

Submitted on: 2/24/2020 10:41:06 AM

Testimony for CPC on 2/25/2020 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Victoria Anderson	Individual	Comments	No

Comments:

I support HB 1242, ***but not the amended HD1***. The removal of gas RPS goals for 2025, 2030, and 2040 neuters the entire bill. It means that gas utilities need not actually do anything for 20 years. And they certainly won't.

Pleae restore the intermediate RPS goals and give this bill back its teeth.

HB-1242-HD-1

Submitted on: 2/24/2020 11:09:11 AM

Testimony for CPC on 2/25/2020 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jessica	Individual	Comments	No

Comments:

I live in Makawao and oppose an RPS before the study is complete. Hawaii is already an expensive place to live so i feel jobs and consumers will be impacted by this mandate.

HB-1242-HD-1

Submitted on: 2/24/2020 1:40:51 PM

Testimony for CPC on 2/25/2020 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Diane Ware	Individual	Support	No

Comments:

Dear Chair Takumi and members,

I live on the Big Island and strongly support measures to address need to become 100% renewable and reduce CO2 emissions like solar and wind or hydro. I do not support fossil fuels including gas.

i urge you to support this bill. We have no time to waste to meet clean energy goals.

Thank you for opportunity to comment,

Diane Ware



**Hawaiian
Electric**

**TESTIMONY BEFORE HOUSE COMMITTEE ON
CONSUMER PROTECTION AND COMMERCE**

H.B. 1242, HD1

Relating to Renewable Energy

Tuesday, February 25, 2020
2:00 p.m., Agenda Item #1
State Capitol, Conference Room 329

Chris Lau
Manager, Corporate Energy Planning
Hawaiian Electric Company, Inc.

Chair Takumi, Vice Chair Ichiyama, and Members of the Committee:

My name is Chris Lau and I am testifying on behalf of Hawaiian Electric Company, Inc. (Hawaiian Electric) **in support of H.B. 1242 HD1**, Relating to Renewable Energy.

H.B. 1242, HD1 establishes a Renewable Portfolio Standard (RPS) for the gas utilities of 100% of total sales by 2045, requires the Public Utilities Commission to contract with the Hawai'i Natural Energy Institute to conduct a feasibility study of the use of renewable gas by the gas utilities, and appropriates funds for the study. The bill defines total sales to include the sale of all gas in the State by a gas utility, its corporate parent, by its corporate parent's subsidiaries, partners, joint ventures and affiliates to ensure that the RPS captures the sale of gas by regulated and unregulated entities.

Hawaiian Electric supports this bill to create parity between the electric and gas utilities as the State transitions toward a renewable energy future, and offers the following comments for consideration:

- By including both regulated and unregulated gas entities, the RPS accounts for all gas use in the State similar to how the electric utility RPS

accounts for all sources of electrical energy generation including customer sited, grid connected sources. The 100% RPS goal in 2045 mirrors a similar goal required of Hawaiian Electric and would treat the RPS requirements of the gas and electric utilities in a fair and even manner.

- Although there may be limited availability of local renewable gas today, it is a resource that can be developed in the State. The gas utility has demonstrated that it can capably produce renewable gas through its partnership with the City and County of Honolulu, Department of Environmental Services at the Honouliuli Wastewater Treatment Plant.
- Renewable gas is a unique resource that sits at the nexus between the electricity sector and transportation sector where it can facilitate the addition of further renewables in the electricity sector, reducing emissions there, as well as reduce emissions in the transportation sector, where emissions have increased in recent years. Further study of this resource is warranted to better understand how it can help achieve the State's goals.
- The establishment of a gas RPS would reduce the risk of not achieving the State's goal of 100% RPS for the electricity sector. The availability of renewable gas to meet a gas RPS would ensure that customers who choose to generate their electricity using fossil fuels have the ability to become renewable over time.

Accordingly, Hawaiian Electric supports H.B. 1242, HD1. Thank you for this opportunity to testify.

HB-1242-HD-1

Submitted on: 2/24/2020 2:16:53 PM

Testimony for CPC on 2/25/2020 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Janet Pappas	Individual	Comments	No

Comments:

Dear Chair Luke and FIN committee members,

I supported HD1242 but I do not support HD1242HD1 which gives the gas company until 2045 to reach 100% renewable gas with no interim milestones.

Gas companies have no idea yet if they can even reach 25% renewable gas (last year 3% of its product (natural gas) was renewable). There must be interim dates set on this bill if it to be useful at all (the years 2025, 2030 and 2040 were the milestones in the original version (HD1242)).

Natural or "fossil gas", is the fastest-growing source of climate change emissions according to a 2019 study published in Environmental Research Letters. Gas companies need to show "progress" toward a renewable product or they will need to transition to a new product. It would be best if they know within a few years (3?) if renewable gas is feasible. Otherwise, they are just wasting their time and continuing to pollute our planet.

Please restore the milestones (I would prefer 2025, 2030 and 2035 as the three milestones for reaching 100%) and then please support this bill. Using 2045 is way too late; without early efforts, the climate crisis will be in full swing by then.

Thank you for listening.

Sincerely,

Jan Pappas

Aiea, Hawaii

HB-1242-HD-1

Submitted on: 2/24/2020 2:19:54 PM

Testimony for CPC on 2/25/2020 2:00:00 PM

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

Comments:

Aloha,

I am in strong support of HB 1242, but not the amended HD1. HD1 takes the bite out of this bill.

Mahalo,

Cheryl Kuulei Reeser

HB-1242-HD-1

Submitted on: 2/24/2020 9:27:32 PM

Testimony for CPC on 2/25/2020 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Caroline Kunitake	Individual	Support	No

Comments:

Dear Chair Takumi, and members:

As one of 350Hawaii.org's 6,000 members, I strongly support HB 1242, ***but not the amended HD1.***

We are very disappointed by the removal of gas RPS goals for 2025, 2030, and 2040. This neuters the entire bill. It means that gas utilities need not actually do anything for 20 years. And they certainly won't.

350Hawaii.org urges you to restore the intermediate RPS goals and give this bill back its teeth.

As part of the 2015 compromise to pass the law for a 2045 clean energy goal, Hawaii gas utilities were exempted from setting or meeting any renewable energy portfolio standard (RPS). This exemption gave them an unfair advantage in the energy market, and it is long past time to correct it.

If gas utilities cannot meet the same RPS as other utilities, the legislature needs to know that immediately, so it can reduce their greenhouse gas (GHG) emissions in some other way. The study proposed in HB 1242 would decide this. The Climate Crisis gives no one a free pass.

Gas utilities need to contribute to Hawaii's zero-emission goals as much as other Hawaii power utilities do. They need to meet the same RPS.

The Liquefied Natural Gas (LNG) and other gas that Hawaii gas utilities use need to be regulated just as much as coal and oil. Hawaii's imported LNG includes gas produced by fracking, which contributes to all manner of calamities from breast cancer to flammable tap water to earthquakes [1]. It is 84 times as potent a GHG as CO2 over a 20-year period [2].

And LNG doesn't just produce carbon when it's used (almost half as much as coal [3]). It also leaks: at drilling sites, along pipelines, at compression stations, at storage facilities and throughout the networks of piping that carry it to homes [4]. Washington,

D.C. alone has 5,893 natural gas leaks [5]. Transporting LNG to Hawaii also burns fuel, producing additional GHGs.

350Hawaii urges you to pass HB 1242 ***with the intermediate RPS goals reinserted***. Don't let gas utilities skate while Hawaii suffers.

Mahalo,

Caroline Kunitake

[1] <https://www.pbs.org/newshour/science/earthquakes-triggered-by-fracking>

[2] <https://www.edf.org/methane-other-important-greenhouse-gas>

[3] <https://www.americangeosciences.org/critical-issues/faq/how-much-carbon-dioxide-produced-when-different-fuels-are-burned>

[4] <https://fivethirtyeight.com/features/methane-is-leaking-all-over-the-place/>

[5] <http://pubs.acs.org/doi/full/10.1021/es404474x>

HB-1242-HD-1

Submitted on: 2/24/2020 9:33:50 PM

Testimony for CPC on 2/25/2020 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Zoe Malia Ozoa Loos	Individual	Support	No

Comments:

To: The House Committee on Consumer Protection & Commerce

From: **Zoe**

Date: Tuesday, February 25, 2020, 2:00 pm

In strong support of HB 1242

Dear Chair Takumi, and members:

As one of 350Hawaii.org's 6,000 members, I strongly support HB 1242, ***but not the amended HD1.***

We are very disappointed by the removal of gas RPS goals for 2025, 2030, and 2040. This neuters the entire bill. It means that gas utilities need not actually do anything for 20 years. And they certainly won't.

350Hawaii.org urges you to restore the intermediate RPS goals and give this bill back its teeth.

As part of the 2015 compromise to pass the law for a 2045 clean energy goal, Hawaii gas utilities were exempted from setting or meeting any renewable energy portfolio standard (RPS). This exemption gave them an unfair advantage in the energy market, and it is long past time to correct it.

If gas utilities cannot meet the same RPS as other utilities, the legislature needs to know that immediately, so it can reduce their greenhouse gas (GHG) emissions in some other way. The study proposed in HB 1242 would decide this. The Climate Crisis gives no one a free pass.

Gas utilities need to contribute to Hawaii's zero-emission goals as much as other Hawaii power utilities do. They need to meet the same RPS.

The Liquefied Natural Gas (LNG) and other gas that Hawaii gas utilities use need to be regulated just as much as coal and oil. Hawaii's imported LNG includes gas produced by fracking, which contributes to all manner of calamities from breast cancer to flammable tap water to earthquakes [1]. It is 84 times as potent a GHG as CO2 over a 20-year period [2].

And LNG doesn't just produce carbon when it's used (almost half as much as coal [3]). It also leaks: at drilling sites, along pipelines, at compression stations, at storage facilities and throughout the networks of piping that carry it to homes [4]. Washington, D.C. alone has 5,893 natural gas leaks [5]. Transporting LNG to Hawaii also burns fuel, producing additional GHGs.

350Hawaii urges you to pass HB 1242 ***with the intermediate RPS goals reinserted***. Don't let gas utilities skate while Hawaii suffers.

ZOE

P.S. I know this is the type of testimony that you all get a lot, one where it would be better to put our own personal touch on it. I would love to, but there are so many of us where this is all we can muster with hectic schedules and trying to do our best. I just want you to know that while I may have not crafted my own response that does not mean I do not 100000000 percent agree with what is being said and that we NEED action. We need the government to do its job while we do ours.

Mahalo for your hard work!

[1] <https://www.pbs.org/newshour/science/earthquakes-triggered-by-fracking>

[2] <https://www.edf.org/methane-other-important-greenhouse-gas>

[3] <https://www.americangeosciences.org/critical-issues/faq/how-much-carbon-dioxide-produced-when-different-fuels-are-burned>

[4] <https://fivethirtyeight.com/features/methane-is-leaking-all-over-the-place/>

[5] <http://pubs.acs.org/doi/full/10.1021/es404474x>

LATE

HB-1242-HD-1

Submitted on: 2/25/2020 9:46:34 AM

Testimony for CPC on 2/25/2020 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Severine Busquet	Individual	Comments	No

Comments:

Dear Chair Takumi, Vice Chair Ichiyama and members:

Companies selling natural gas should meet renewable portfolio standard (RPS) goals. The original HB1242 had interim gas RPS goals for 2025, 2030, and 2040, which unfortunately were removed in HD1.

Fossil fuel natural gas is mostly methane, a greenhouse gas that is 24 times more potent than carbon dioxide. We cannot wait until 2045 to address the terrible climate effects of fossil fuel natural gas production (including well leaks and fracking), transport and burning.

Gas companies need to do their part to develop renewable gas alternatives and meet Hawaii's zero emissions goals. They should not be exempt from helping to reduce the climate crisis!

Please amend this bill and require that gas companies meet RPS goals the soonest.

Thanks

Severine Busquet

Hawaii Kai, Honolulu

LATE

HB-1242-HD-1

Submitted on: 2/25/2020 10:28:24 AM

Testimony for CPC on 2/25/2020 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Katherine Ray	Individual	Support	No

Comments:

Dear Chair Takumi, and members:

I strongly support HB 1242, ***but not the amended HD1.***

I am very disappointed by the removal of gas RPS goals for 2025, 2030, and 2040. This neuters the entire bill. It

I urge you to restore the intermediate RPS goals.

As part of the 2015 compromise to pass the law for a 2045 clean energy goal, Hawaii gas utilities were exempted from setting or meeting any renewable energy portfolio standard (RPS). This exemption gave them an unfair advantage in the energy market, and it is long past time to correct it.

If gas utilities cannot meet the same RPS as other utilities, the legislature needs to know that immediately, so it can reduce their greenhouse gas (GHG) emissions in some other way. The study proposed in HB 1242 would decide this. The Climate Crisis gives no one a free pass.

Gas utilities need to contribute to Hawaii's zero-emission goals as much as other Hawaii power utilities do. They need to meet the same RPS.

The Liquefied Natural Gas (LNG) and other gas that Hawaii gas utilities use need to be regulated just as much as coal and oil. Transporting LNG to Hawaii also burns fuel, producing additional GHGs.

I urge you to pass HB 1242 ***with the intermediate RPS goals reinserted.*** Don't let gas utilities off the hook in terms of their responsibility in Hawaii's clean energy transition.

-Katherine Ray