

DAVID Y. IGE
GOVERNOR OF
HAWAII



SUZANNE D. CASE
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COMMISSION ON WATER RESOURCE MANAGEMENT

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DEPUTY DIRECTOR - WATER

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COMMISSION ON WATER RESOURCE MANAGEMENT
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LAND
STATE PARKS

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

Testimony of
SUZANNE D. CASE
Chairperson

Before the House Committees on
ENERGY & ENVIRONMENTAL PROTECTION
and
WATER, LAND, & HAWAIIAN AFFAIRS

Tuesday, February 5, 2019
11:00 AM
State Capitol, Conference Room 325

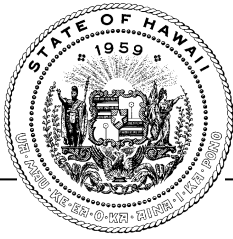
In consideration of
HOUSE BILL 1407
RELATING TO THE ENVIRONMENT

House Bill 1407 proposes to expand the scope of the carbon offset program and to establish a carbon offset revolving fund administered by the Department of Business, Economic Development, and Tourism. **The Department of Land and Natural Resources (Department) appreciates the intent of this measure and provides the following comments.**

The Department recognizes climate change caused by the emission of anthropogenic greenhouse gases (GHG), such as carbon dioxide, into the atmosphere as one of the greatest challenges of human kind. Carbon offset programs can be effective financing mechanisms to channel resources towards the mitigation of climate change through offsetting practices, such as reforestation in which carbon dioxide is removed from the atmosphere by newly planted forests and stored (sequestered) in its biomass.

The Department notes that the State Greenhouse Gas Sequestration Task Force (GHGSTF) is currently assessing suitable policy options that would encourage practices in agriculture, aquaculture, agroforestry, forestry, and urban forestry that would promote increased greenhouse gas sequestration and is developing recommendations as mandated by Section 225P-4, Hawaii Revised Statutes (HRS). Also, the Office of Planning (OP) in partnership with the GHGSTF is currently hiring a consultant to investigate the establishment of a carbon offset program as mandated by Section 225P-6, HRS. The goal of this effort is the development of recommendations that would inform policy initiatives. The Department looks forward to working with OP, the GHGSTF, and all stakeholders in developing a program to help the state meet its climate goals.

Thank you for the opportunity to comment on this measure.



OFFICE OF PLANNING STATE OF HAWAII

DAVID Y. IGE
GOVERNOR

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Statement of
LEO R. ASUNCION
Planning Program Administrator, Office of Planning
before the
**HOUSE COMMITTEES ON ENERGY AND ENVIRONMENTAL PROTECTION AND
WATER, LAND, AND HAWAIIAN AFFAIRS**

Tuesday, February 5, 2019

11:00 AM

State Capitol, Conference Room 325

in consideration of

HB 1407

RELATING TO THE ENVIRONMENT.

Chairs Lowen and Yamane, Vice Chairs Wildberger and Todd, and Members of the House Committees on Energy and Environmental Protection and Water, Land, and Hawaiian Affairs.

The Office of Planning offers comments on HB 1407, to expand the scope of the Carbon Offset Program and establishing a carbon offset revolving fund to assist in the fulfillment of the purposes of the carbon offset program.

The Office of Planning is currently investigating and establishing a State-administered Carbon Offset Program in partnership with the Greenhouse Gas Sequestration Task Force, pursuant to Hawaii Revised Statutes (HRS) § 225P-6, (Act 16, Session Laws of Hawaii 2018). The Office of Planning is presently tasked by HRS § 225P-6 to provide expertise in carbon offsetting to public agencies and private entities and assists in coordinating carbon offset projects of public agencies, including but not limited to the generation, certification, and marketing of carbon credits. HRS § 225P-6 further requires that the proceeds and revenues generated by State departments from sales of offset credits to be deposited into suitable funds particularly for reinvestment to generate further carbon offset credits; provided that the funds are used in accordance with the purposes of the fund; or allows for proceeds and revenues generated by State agencies from sales of carbon credits other than as described in the abovementioned requirement to be invested in projects enhancing the State's efforts to mitigate or adapt to climate change.

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

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE
GOVERNOR



RODERICK K. BECKER
DIRECTOR

ROBERT YU
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE

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EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY

TESTIMONY BY RODERICK K. BECKER
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEES ON ENERGY AND ENVIRONMENTAL
PROTECTION, AND WATER, LAND AND HAWAIIAN AFFAIRS
ON
HOUSE BILL NO. 1407

February 5, 2019
11:00 a.m.
Room 325

LATE

RELATING TO THE ENVIRONMENT

House Bill (H.B.) No. 1407: expands the scope of the Carbon Offset Program (COP); establishes a Carbon Offset Revolving Fund (CORF) to assist in the fulfillment of the purposes of the COP; appropriates \$500,000 in both FY 20 and FY 21 for deposit into the CORF; appropriates \$500,000 in both FY 20 and FY 21 from the CORF to be expended for the purposes of the Act; and appropriates \$400,000 in general funds for FY 20 for the establishment of the following positions to support the COP: 1.00 full-time Secretary III; 4.00 full-time Planner V; and 1.00 full-time Carbon Offset Program Manager.

The department generally does not support, as a matter of general policy, the creation of revolving funds that do not meet the requirements of Section 37-52.4, HRS. Revolving funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. In regards to H.B. No. 1407, it is difficult to determine whether the revolving fund would be self-sustaining.

Thank you for your consideration of our comments.



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COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

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

COMMITTEE ON WATER, LAND, & HAWAIIAN AFFAIRS

Rep. Ryan I. Yamane, Chair
Rep. Chris Todd, Vice Chair

DATE: Tuesday, February 5, 2019
TIME: 11:00 AM
PLACE: Conference Room 325

HB 1407 RELATING TO THE ENVIRONMENT.

CONDITIONAL SUPPORT WITH AMENDMENT

Aloha Chairs Lowen and Yamane, Vice Chairs Wildberger and Todd, and Members of the Committees

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.

The idea that we don't have to deal with fossil fuel industries and their devastating impact to the globe, but rather we can offset all greenhouse gases through sequestration may sound noble but is fraught with danger and unintended consequences.

The Department of Business, Economic Development, and Tourism (DBEDT) is governed by HRS §201, the Office of Planning (OP) is governed by HRS §225M, the Hawaii climate change mitigation and adaptation Commission (HCCMAC) is governed by HRS §225P.

HB 1407 states, “There is established a carbon offset revolving fund, to be administered by the office of planning... The department of business, economic development, and tourism shall adopt rules, pursuant to chapter 91, necessary for the purposes of this chapter...The office of planning, in partnership with the greenhouse gas sequestration task force, shall investigate and establish a carbon offset program, to be administered by the carbon offset program manager.”

Proposed Amendment: The department of business, economic development, and tourism, the office of planning, and the Hawaii climate change mitigation and adaptation commission, shall adopt rules, pursuant to chapter 91, to implement the purposes of this chapter.

Mahalo

Henry Curtis
Executive Director

HB-1407

Submitted on: 2/1/2019 6:50:20 PM

Testimony for EEP on 2/5/2019 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Karen Winslow	Hawaii Farmers Union	Support	No

Comments:

LATE

HB-1407

Submitted on: 2/4/2019 7:17:45 PM

Testimony for EEP on 2/5/2019 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Brian Santiago	Individual	Oppose	No

Comments:

Total waste of money. China's the biggest carbon admitter, go after them for the money.

LATE

HB-1407

Submitted on: 2/5/2019 8:18:16 AM

Testimony for EEP on 2/5/2019 11:00:00 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: