

OFFICE OF PLANNING STATE OF HAWAII

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Statement of
LEO R. ASUNCION
Planning Program Administrator, Office of Planning
before the
SENATE COMMITTEE ON WAYS AND MEANS
Thursday, April 4, 2019
10:35 AM
State Capitol, Conference Room 211

in consideration of
HB 1584, HD 2, SD 1
RELATING TO CARBON EMISSIONS.

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Senate Committee on Ways and Means:

The Office of Planning offers **comments** on House Bill 1584, HD 2, SD 1 to appropriate funds to the Office of Planning to conduct a comprehensive study of a statewide carbon tax.

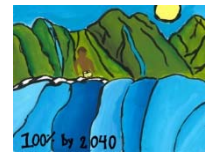
The Office of Planning notes that the previous versions of this bill tasked the University of Hawaii to conduct this comprehensive study of a statewide carbon tax.

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).

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.

In regards to this measure, should the Committee agree that the Office of Planning be the lead agency to perform the comprehensive study, we estimate that to meet the study requirements and timelines as provided in the bill will require an appropriation of \$150,000, as long as the appropriation does not replace or adversely impact priorities indicated in our Executive Budget.

Thank you for the opportunity to offer comments on HB 1584, HD 2, SD 1.



SENATE COMMITTEE ON WAYS AND MEANS

April 4, 2019, 10:35 A.M.

Room 211

(Testimony is 2 pages long)

TESTIMONY IN STRONG SUPPORT OF HB 1584 HD2 SD1

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee:

Blue Planet Foundation **strongly supports** HB 1584 HD2 SD1, a measure that dedicates funding for a comprehensive study of a carbon tax to help policymakers better understand the opportunities, impacts, and options that such a policy could offer Hawaii.

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

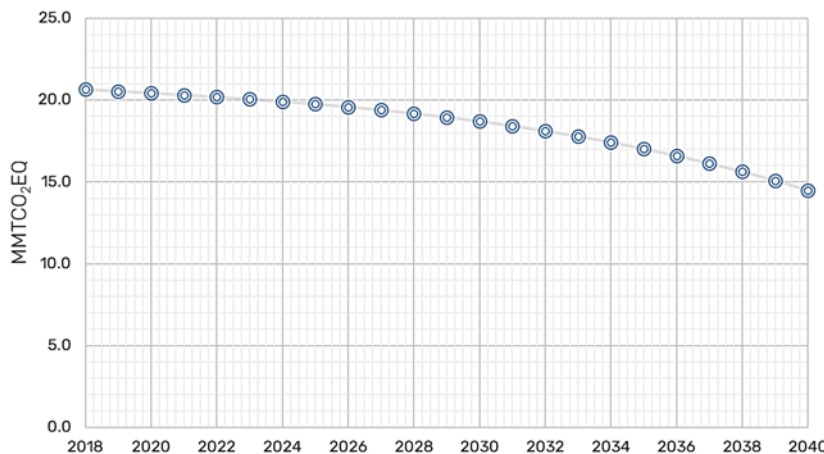


Figure 1. Best-case Hawaii greenhouse gas emissions trend with current state policies

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

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

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

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

Blue Planet Foundation supports HB 1584 HD2 SD1 to better understand if and how pricing carbon can accelerate Hawaii's cost-effective transformation to a 100% clean energy future while ensuring that the transition is fair, equitable, and beneficial for all.

We respectfully request that the Committee forward HB 1584 HD2 SD1, amended to take effect upon approval.

Thank you for the opportunity to testify.



Email: communications@ulupono.com

SENATE COMMITTEE ON WAYS & MEANS
Thursday, April 4, 2019 — 10:35 a.m. — Room 211

Ulupono Initiative Supports HB 1584 HD 2 SD 1, Relating to Carbon Emissions

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

My name is Murray Clay and I am Managing Partner of the Ulupono Initiative, a Hawai'i-based impact investment firm that strives to improve the quality of life for the people of Hawai'i by working toward solutions that create more locally produced food; increase affordable, clean, renewable energy; and better manage waste and fresh water resources. Ulupono believes that self-sufficiency is essential to our future prosperity and will help shape a future where economic progress and mission-focused impact can work hand in hand.

Ulupono supports HB 1584 HD 2 SD 1, which conducts a study of a statewide carbon tax, because it aligns with our goal of reducing fuel use in Hawai'i.

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

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

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

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



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

Respectfully,

Murray Clay
Managing Partner



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

COMMITTEE ON WAYS AND MEANS
Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

DATE: Thursday, April 4, 2019
TIME: 10:35 a.m.
PLACE: Conference Room 211

HB 1584, HD2, SD1 RELATING TO CARBON EMISSIONS

COMMENTS

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and Senators

ExxonMobil, BP, Royal Dutch Shell, ConocoPhillips have proven reserves exceeding 50 Billion Barrels of Oil Equivalent, currently worth over \$3 Trillion.

They want a carbon tax !

They want to use every drop.

Carbon Taxes are simple to understand and enormously complicated to implement.

As of today, there is only a weak direct correlation between carbon pricing and greenhouse gas emissions.

Economists talk about efficiencies.

Statisticians discuss probabilities.

Some people believe that doing something is better than doing nothing.

Some want to believe that a simple tax will work.

ExxonMobil is the 13th largest corporation in the world, responsible for two-percent of global industrial greenhouse gas emissions (cumulatively 1988-2015), gamed the system, received \$12.9 billion in tax subsidies from 2008-15.¹

Forbes` s Global 2000: The World` s Largest Public Companies (2018)²

Rank	Company	Sales (\$B)	Profit (\$B)	Assets (\$B)	Market (\$B)
11	Royal Dutch Shell	322	15	411	306
13	ExxonMobil	230	20	349	344

Alternatives like business innovators and accelerators, carbon sequestration, low carbon renewable energy subsidies, and fossil fuels phase-out mandates can be cheaper and more effective.

It is crucial that the Hawai`i Office of Planning engage with a broad cross-section of stakeholders rather than with only RAH RAH supporters of carbon taxes.

¹ <https://www.nytimes.com/2017/03/09/business/economy/corporate-tax-report.html>

² <https://www.forbes.com/global2000/#152a77f3335d>

Testimony of The Nature Conservancy of Hawai'i
Supporting HB 1584 HD2 SD1 Relating to Carbon Emissions
House Committee on Ways and Means
Thursday, April 4, 2019, 10:35 AM, Room 211

The Nature Conservancy of Hawai'i is a non-profit conservation organization dedicated to the preservation of the lands and waters upon which all life depends. The Conservancy has helped protect more than 200,000 acres of natural lands in Hawai'i and Palmyra Atoll. We manage 40,000 acres in 13 preserves and work in over 30 coastal communities to help protect the near-shore reefs, waters and fisheries of the main Hawaiian Islands. We forge partnership with government, private parties and communities to protect forests and coral reefs for their ecological values and the many benefits they provide to people.

The Nature Conservancy supports HB 1584 HD2 SD1 directing a comprehensive examination of carbon pricing and options and effects from a statewide carbon tax.

Climate change caused by burning fossil fuels is an unprecedented threat to every person in Hawai'i. It is our responsibility to do what we can and what is necessary reduce our own carbon emissions, however small on a global scale, to contribute to the worldwide effort needed to mitigate the growing effects of climate change. Many prominent economists agree that a carbon fee, increasing steadily over time, is an efficient and effective way to reduce carbon emissions. It sends a powerful signal and incentive to businesses and consumers to reduce emissions. Such a fee must also be carefully crafted to be fair as well as offset regressive effects on those with lower incomes.

Even if we drastically reduce CO₂ emissions now, however, we will still feel certain effects of climate change. In Hawai'i, science indicates that this will likely include:

- More frequent and more severe storms that can increase runoff and siltation;
- Overall, less rainfall and therefore less fresh water;
- Higher temperatures that affect watershed and agricultural health, while being beneficial to invasive species;
- Sea level rise and high waves that will harm coastal areas and groundwater systems;
- Ocean acidification and warming that will inhibit the growth of protective coral reefs.

In response, we must plan and implement mitigative and adaptive measures to ensure the resilience of our natural and human systems.

In addition to reducing emissions, investing in nature is proving to be an effective response to climate change. For example, two recent studies by The Nature Conservancy and partners found that **natural climate solutions (i.e., conservation, restoration, and improved land management on natural and agricultural lands) can provide carbon storage and avoid greenhouse gas emissions equivalent to 21% of current U.S. annual emissions and 37% of cost-effective mitigation needed through 2030 toward holding global warming below 2°C.**^{1, 2}

And, a team from The Nature Conservancy, University of California at Santa Cruz, Stanford University, and the US Geological Survey has developed biophysical models showing that **healthy coral reefs can absorb up to 97% of wave energy, protecting coastal properties from the power of the sea during storms.** Conversely, the loss of just one meter of reef could result in a doubling of the cost of damage from storm events.³

Thank you for the opportunity to testify in support of this measure.

¹ Fargione, Joseph E., Steven Basset, et al. "Natural Climate Solutions for the United States.", *Science Advances* 2018, **4**: eaat1869, November 14, 2018. <http://advances.sciencemag.org/content/4/11/eaat1869>

² Griscom, Bronson W., Justin Adams, et al. "Natural Climate Solutions." *Proceedings of the National Academy of Sciences*. October 31, 2017 114 (44) 11645-11650. www.pnas.org/content/114/44/11645

³ Ferrario, Filippo, Michael W. Beck, et al. "The effectiveness of coral reefs for coastal hazard risk reduction and adaptation." *Nature Communications* volume5, Article number: 3794 (2014). www.nature.com/articles/ncomms4794



Environmental Caucus

The Democratic Party of Hawai'i

SENATE COMMITTEE ON WAYS AND MEANS

April 4, 2019 10:35 a.m. Room 211

In **SUPPORT** of **HB1584 HD2 SD1**: Relating to Carbon Emissions

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Committee Members,

On behalf of the Environmental Caucus of the Democratic Party of Hawai'i (ECDPH), we **strongly support HB1584 HD2 SD1**, relating to carbon emissions and offer one amendment.

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

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

Proposed amendment: considering that carbon pricing is one of the most studied carbon mitigation policies, there is ample data to complete this study in an accelerated time



Environmental Caucus

The Democratic Party of Hawai'i

frame. We propose that a final report be submitted to the Legislature no later than December 31, 2019. In doing so, appropriate carbon pricing legislation may be enacted in during the 2020 session.

Mahalo for the opportunity to testify in **strong support of HB1584 HD2 SD1** and your attention to our amendment.

Kimiko LaHaela Walter

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

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



To: The Senate Committee on Ways and Means
From: Brodie Lockard, Hawaii State Climate Lead, Organizing for Action
Date: Thursday, April 4, 2019, 10:35 am

In strong support of HB 1584 HD2 SD1

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and Committee Members—

Organizing for Action strongly supports HB 1584 HD2 SD1.

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

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

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

The Office of Planning is a logical organization for conducting a carbon tax study, as long as it coordinates with appropriate experts in all the relevant fields, as listed in the bill. Please support HB 1584 HD2 SD1 for the future of the state and all who live here.

Thank you for the opportunity to testify.

Brodie Lockard
Hawaii State Climate Lead, Organizing for Action



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of Hawai'i Appleseed Center for Law and Economic Justice
In Support of HB 1584 HD2 SD1 – Relating to Carbon Emissions
Senate Committee on Ways and Means
Thursday, April 4, 2019, 10:35 AM, conference room 211

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee:

Mahalo for the chance to submit testimony in **SUPPORT** of **HB 1584 HD2 SD1**, which would appropriate funds to conduct a comprehensive study of a statewide carbon tax.

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

Hawai'i's low-income families already face the second-highest tax rate in the nation, with households in the bottom fifth of our income spectrum paying 15 percent of their income in state and local taxes, while those at the top pay only about 9 percent. A main reason for this disparity is the General Excise Tax (GET), which is applied to nearly all goods and services in Hawai'i. It hits our low-income and working-class neighbors harder because they spend almost all of their earnings on items and services that are taxed by the GET.

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

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

Thank you for your attention to this important issue.

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

Date: Tuesday, April 2 2019
From: Keanu Rochette-Yu Tsuen (Individual)
Re: Strong Support for HB 1584 HD2 SD1
Hearing: Thursday, April 4 2019, 10:35 AM, Room 211

Thank you for the opportunity to submit testimony in **SUPPORT** of HB 1584 which will help provide fundings to the to the University of Hawaii for the Research Corporation of the University of Hawaii to conduct a comprehensive study of a statewide carbon tax.

I strongly support the HB 1584 because I believe that research about carbon tax will give a better understanding of its effects at a state level. Indeed, carbon taxes are a relatively new concept. They are an efficient and effective way to give an incentive to industries to reduce their carbon footprint, thus helping reduce Hawaii's carbon emission by the year 2045. However, several stakeholders will be affected by these policies in many different ways. Studying the effects of carbon taxes in the state will ensure that the different stakeholders (industries, businesses, NGOs, individuals...) will be affected by the tax fairly. They must be high enough to give us an incentive to change our behaviours without jeopardizing one's living situation. Therefore this study will be beneficial to find this equilibrium price where every stakeholder is treated with equality and equity.

Hawaii relies highly on importation of food to sustain its growing population and the millions of tourists that visit the state every year. A carbon tax would increase the incentive to grow food locally. If done sustainably, local food production would only be beneficial for Hawaii residents. Indeed, this would ensure the supply of whole food with better nutrition, better quality and better health benefit. In addition, crops would natural remove and sequester carbon from the atmosphere.

Lastly, Hawaii is more than an island in the Pacific, it is a also the land of a people. If sea level continues to rise due to global warming, Hawaii may be as threatened of disappearing as the atolls of the Tuamotu islands in French Polynesia. Losing Hawaii's land is losing the identity of a people with a culture, indigenous knowledge, customs and practices. It is also losing stunning ecosystems and endemic fauna and flora. I personally had the great chance to volunteer at the Hakalau Forest National Wildlife Refuge (NWR). I got the privilege to work and visit pristine Koa and 'Ōhia forests and hear the songs of Hawaii's endemic birds. It would be a great shame and pity to lose what really makes Hawaii unique.

Mahalo,

Keanu Rochette-Yu Tsuen
Resident of City and County of Honolulu

HB-1584-SD-1

Submitted on: 4/2/2019 3:28:53 PM

Testimony for WAM on 4/4/2019 10:35:00 AM

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

Comments:

Dear Committee Members,

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

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

Thank you for the opportunity to present my testimony.

Sincerely,

Andrea Quinn

Kihei

HB-1584-SD-1

Submitted on: 4/2/2019 4:07:34 PM

Testimony for WAM on 4/4/2019 10:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Chris Cooper	Individual	Oppose	No

Comments:

NO CARBON TAX SCAM! I WORK FOR A LIVING!

HB-1584-SD-1

Submitted on: 4/2/2019 4:26:06 PM

Testimony for WAM on 4/4/2019 10:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Pete Wilson	Individual	Support	No

Comments:

Aloha Chair Dela Cruz and members of the WAM Committee, my name is Pete Wilson and I am a resident of Hawaii. I strongly support HB 1584 HD2 SD1. Both the Intergovernmental Panel on Climate Change and the Hawai'i Climate Change Mitigation and Adaptation Commission support carbon pricing as the most effective action to reduce emissions. However, no state has adopted a carbon tax and Hawai'i's carbon tax could disproportionately affect low and moderate income communities if not implemented correctly. A study on a carbon tax is warranted and the details of the study as proposed in the SD1 will provide clear policy guidance for how Hawai'i's carbon tax can be both effective and equitable.

HB-1584-SD-1

Submitted on: 4/2/2019 4:30:32 PM

Testimony for WAM on 4/4/2019 10:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Seifried	Individual	Support	No

Comments:

Aloha Chair Dela Cruz and members of the WAM Committee, my name is Steve Seifried and I am a resident of Kailua. I strongly support HB 1584 HD2 SD1. Both the Intergovernmental Panel on Climate Change and the Hawai'i Climate Change Mitigation and Adaptation Commission support carbon pricing as the most effective action to reduce emissions. However, no state has adopted a carbon tax and Hawai'i's carbon tax could disproportionately affect low and moderate income communities if not implemented correctly. A study on a carbon tax is warranted and the details of the study as proposed in the SD1 will provide clear policy guidance for how Hawai'i's carbon tax can be both effective and equitable.

HB-1584-SD-1

Submitted on: 4/2/2019 5:05:27 PM

Testimony for WAM on 4/4/2019 10:35:00 AM

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

Comments:

I support SB412 SD2 HD1

HB-1584-SD-1

Submitted on: 4/2/2019 5:05:29 PM

Testimony for WAM on 4/4/2019 10:35:00 AM

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

Comments:

HB-1584-SD-1

Submitted on: 4/2/2019 5:14:53 PM

Testimony for WAM on 4/4/2019 10:35:00 AM

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

Comments:

Aloha Chair Dela Cruz and members of the WAM Committee, my name is Ashley Wilcox and I am a resident of Lahaina. I strongly support HB 1584 HD2 SD1. Both the Intergovernmental Panel on Climate Change and the Hawai'i Climate Change Mitigation and Adaptation Commission support carbon pricing as the most effective action to reduce emissions. However, no state has adopted a carbon tax and Hawai'i's carbon tax could disproportionately affect low and moderate income communities if not implemented correctly. A study on a carbon tax is warranted and the details of the study as proposed in the SD1 will provide clear policy guidance for how Hawai'i's carbon tax can be both effective and equitable."

HB-1584-SD-1

Submitted on: 4/2/2019 6:20:35 PM

Testimony for WAM on 4/4/2019 10:35:00 AM

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

Comments:

"Aloha Chair Dela Cruz and members of the WAM Committee, my name is Diane Ware and I am a resident of Volcano Hawai'i . I strongly support HB 1584 HD2 SD1. Both the Intergovernmental Panel on Climate Change and the Hawai'i Climate Change Mitigation and Adaptation Commission support carbon pricing as the most effective action to reduce emissions. However, no state has adopted a carbon tax and Hawai'i's carbon tax could disproportionately affect low and moderate income communities if not implemented correctly. A study on a carbon tax is warranted and the details of the study as proposed in the SD1 will provide clear policy guidance for how Hawai'i's carbon tax can be both effective and equitable.

Respectfully,

HB-1584-SD-1

Submitted on: 4/2/2019 4:00:25 PM

Testimony for WAM on 4/4/2019 10:35:00 AM

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

Comments:

Aloha Chair Dela Cruz and members of the WAM Committee, my name is Greg Puppione and I am a resident of Honolulu. I strongly support HB 1584 HD2 SD1. Both the Intergovernmental Panel on Climate Change and the Hawai'i Climate Change Mitigation and Adaptation Commission support carbon pricing as the most effective action to reduce emissions. However, no state has adopted a carbon tax and Hawai'i's carbon tax could disproportionately affect low and moderate income communities if not implemented correctly. A study on a carbon tax is warranted and the details of the study as proposed in the SD1 will provide clear policy guidance for how Hawai'i's carbon tax can be both effective and equitable. Let's make sure we do this right.

HB-1584-SD-1

Submitted on: 4/2/2019 6:29:07 PM

Testimony for WAM on 4/4/2019 10:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Patricia Blair	Individual	Support	No

Comments:

HB-1584-SD-1

Submitted on: 4/2/2019 6:26:59 PM

Testimony for WAM on 4/4/2019 10:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dave Kisor	Individual	Comments	No

Comments:

I hope this isn't going to waste money on a red herring. Who would be taxed and how would the determination be made as to what degree they are to be skinned alive?

HB-1584-SD-1

Submitted on: 4/2/2019 6:46:04 PM

Testimony for WAM on 4/4/2019 10:35:00 AM

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

Comments:

Aloha Chair Dela Cruz and members of the WAM Committee, my name is Emily and I am a resident of Hlo. I strongly support HB 1584 HD2 SD1. Both the Intergovernmental Panel on Climate Change and the Hawai'i Climate Change Mitigation and Adaptation Commission support carbon pricing as the most effective action to reduce emissions. However, no state has adopted a carbon tax and Hawai'i's carbon tax could disproportionately affect low and moderate income communities if not implemented correctly. A study on a carbon tax is warranted and the details of the study as proposed in the SD1 will provide clear policy guidance for how Hawai'i's carbon tax can be both effective and equitable.

HB-1584-SD-1

Submitted on: 4/2/2019 6:46:05 PM

Testimony for WAM on 4/4/2019 10:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

HB-1584-SD-1

Submitted on: 4/2/2019 6:47:28 PM

Testimony for WAM on 4/4/2019 10:35:00 AM

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

Comments:

Aloha Chair Dela Cruz and members of the WAM Committee, my name is Kathy Shimata and I am a resident of Honolulu. I strongly support HB 1584 HD2 SD1. Both the Intergovernmental Panel on Climate Change and the Hawai'i Climate Change Mitigation and Adaptation Commission support carbon pricing as the most effective action to reduce emissions. However, no state has adopted a carbon tax and Hawai'i's carbon tax could disproportionately affect low and moderate income communities if not implemented correctly. A study on a carbon tax is warranted and the details of the study as proposed in the SD1 will provide clear policy guidance for how Hawai'i's carbon tax can be both effective and equitable.

HB-1584-SD-1

Submitted on: 4/2/2019 8:15:41 PM

Testimony for WAM on 4/4/2019 10:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
William Reese Liggett	Individual	Support	No

Comments:

Aloha Chair Dela Cruz and members of the WAM Committee, my name is William Reese Liggett and I am a resident of 4947 Maunalani Circle, 96816. I strongly support HB 1584 HD2 SD1. Both the Intergovernmental Panel on Climate Change and the Hawai'i Climate Change Mitigation and Adaptation Commission support carbon pricing as the most effective action to reduce emissions. However, no state has adopted a carbon tax and Hawai'i's carbon tax could disproportionately affect low and moderate income communities if not implemented correctly. A study on a carbon tax is warranted and the details of the study as proposed in the SD1 will provide clear policy guidance for how Hawai'i's carbon tax can be both effective and equitable.

HB-1584-SD-1

Submitted on: 4/2/2019 9:08:30 PM

Testimony for WAM on 4/4/2019 10:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Nathan Yuen	Individual	Support	No

Comments:

I strongly support HB 1584 HD2 SD1. Both the Intergovernmental Panel on Climate Change and the Hawai'i Climate Change Mitigation and Adaptation Commission support carbon pricing as the most effective action to reduce emissions. However, no state has adopted a carbon tax and Hawai'i's carbon tax could disproportionately affect low and moderate income communities if not implemented correctly. A study on a carbon tax is warranted and the details of the study as proposed in the SD1 will provide clear policy guidance for how Hawai'i's carbon tax can be both effective and equitable."

HB-1584-SD-1

Submitted on: 4/2/2019 9:47:29 PM

Testimony for WAM on 4/4/2019 10:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Timothy Sean Payne Hills	Individual	Support	No

Comments:

"Aloha Chair Dela Cruz and members of the WAM Committee, my name is __Timothy Hills____ and I am a resident of _Makawao, HI._____. I strongly support HB 1584 HD2 SD1. Both the Intergovernmental Panel on Climate Change and the Hawai'i Climate Change Mitigation and Adaptation Commission support carbon pricing as the most effective action to reduce emissions. However, no state has adopted a carbon tax and Hawai'i's carbon tax could disproportionately affect low and moderate income communities if not implemented correctly. A study on a carbon tax is warranted and the details of the study as proposed in the SD1 will provide clear policy guidance for how Hawai'i's carbon tax can be both effective and equitable."

HB-1584-SD-1

Submitted on: 4/2/2019 8:40:22 PM

Testimony for WAM on 4/4/2019 10:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Mary Lacques	Individual	Support	No

Comments:

HB-1584-SD-1

Submitted on: 4/2/2019 10:01:13 PM

Testimony for WAM on 4/4/2019 10:35:00 AM

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

Comments:

SUPPORT

Aloha Chair Dela Cruz and members of the Ways and Means Committee,

I am a resident of Waialua. I strongly support HB 1584 HD2 SD1. Both the Intergovernmental Panel on Climate Change and the Hawai'i Climate Change Mitigation and Adaptation Commission support carbon pricing as the most effective action to reduce emissions. However, no state has adopted a carbon tax and Hawai'i's carbon tax could disproportionately affect low and moderate income communities if not implemented correctly. A study on a carbon tax is warranted, and the details of the study as proposed in the SD1 will provide clear policy guidance for how Hawai'i's carbon tax can be both effective and equitable. I urge you to SUPPORT this bill.

Barbara George

HB-1584-SD-1

Submitted on: 4/2/2019 10:46:08 PM

Testimony for WAM on 4/4/2019 10:35:00 AM

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

Comments:

Aloha Chair Dela Cruz and members of the WAM Committee,

My name is Jerry Riverstone and I am a resident of Hawai'i. I strongly support HB 1584 HD2 SD1. Both the Intergovernmental Panel on Climate Change and the Hawai'i Climate Change Mitigation and Adaptation Commission support carbon pricing as the most effective action to reduce emissions. However, no state has adopted a carbon tax and Hawai'i's carbon tax could disproportionately affect low and moderate income communities if not implemented correctly. A study on a carbon tax is warranted and the details of the study as proposed in the SD1 will provide clear policy guidance for how Hawai'i's carbon tax can be both effective and equitable.

Sincerely,

Jerry Riverstone

HB-1584-SD-1

Submitted on: 4/2/2019 10:02:33 PM

Testimony for WAM on 4/4/2019 10:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ken Stover	Individual	Support	No

Comments:

Aloha Chair Dela Cruz and members of the WAM Committee, my name is Ken Stover and I am a resident of Maui. I strongly support HB 1584 HD2 SD1. Both the Intergovernmental Panel on Climate Change and the Hawai'i Climate Change Mitigation and Adaptation Commission support carbon pricing as the most effective action to reduce emissions. However, no state has adopted a carbon tax and Hawai'i's carbon tax could disproportionately affect low and moderate income communities if not implemented correctly. A study on a carbon tax is warranted and the details of the study as proposed in the SD1 will provide clear policy guidance for how Hawai'i's carbon tax can be both effective and equitable

HB-1584-SD-1

Submitted on: 4/3/2019 3:55:43 AM

Testimony for WAM on 4/4/2019 10:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Elizabeth Barretto	Individual	Support	No

Comments:

Aloha Chair Dela Cruz and members of the WAM Committee, my name is Elizabeth Barretto and I am a resident of Maui. I strongly support HB 1584 HD2 SD1. Both the Intergovernmental Panel on Climate Change and the Hawai'i Climate Change Mitigation and Adaptation Commission support carbon pricing as the most effective action to reduce emissions. However, no state has adopted a carbon tax and Hawai'i's carbon tax could disproportionately affect low and moderate income communities if not implemented correctly. A study on a carbon tax is warranted and the details of the study as proposed in the SD1 will provide clear policy guidance for how Hawai'i's carbon tax can be both effective and equitable.

HB-1584-SD-1

Submitted on: 4/3/2019 6:58:24 AM

Testimony for WAM on 4/4/2019 10:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Lorrie Ann Santos	Individual	Support	No

Comments:

Aloha Chair Dela Cruz and members of the WAM Committee, my name is Lorrie Ann Santos and I am a resident of Kaneohe, Hawaii. I strongly support HB 1584 HD2 SD1. Both the Intergovernmental Panel on Climate Change and the Hawai'i Climate Change Mitigation and Adaptation Commission support carbon pricing as the most effective action to reduce emissions. However, no state has adopted a carbon tax and Hawai'i's carbon tax could disproportionately affect low and moderate income communities if not implemented correctly. A study on a carbon tax is warranted and the details of the study as proposed in the SD1 will provide clear policy guidance for how Hawai'i's carbon tax can be both effective and equitable.

HB-1584-SD-1

Submitted on: 4/3/2019 7:39:19 AM

Testimony for WAM on 4/4/2019 10:35:00 AM

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

Comments:

HB-1584-SD-1

Submitted on: 4/3/2019 7:57:30 AM

Testimony for WAM on 4/4/2019 10:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
John NAYLOR	Individual	Support	No

Comments:

Aloha,

Let's study the effects of the carbon tax.

Mahalo,

JN Makawao

HB-1584-SD-1

Submitted on: 4/3/2019 8:55:37 AM

Testimony for WAM on 4/4/2019 10:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
James McCay	Individual	Support	No

Comments:

HB-1584-SD-1

Submitted on: 4/3/2019 9:06:39 AM

Testimony for WAM on 4/4/2019 10:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
John Nix	Individual	Support	No

Comments:

"Aloha Chair Dela Cruz and members of the WAM Committee, my name is John Nix and I am a resident of Kihei. I strongly support HB 1584 HD2 SD1. Both the Intergovernmental Panel on Climate Change and the Hawai'i Climate Change Mitigation and Adaptation Commission support carbon pricing as the most effective action to reduce emissions. However, no state has adopted a carbon tax and Hawai'i's carbon tax could disproportionately affect low and moderate income communities if not implemented correctly. A study on a carbon tax is warranted and the details of the study as proposed in the SD1 will provide clear policy guidance for how Hawai'i's carbon tax can be both effective and equitable."

HB-1584-SD-1

Submitted on: 4/3/2019 9:30:10 AM

Testimony for WAM on 4/4/2019 10:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
keauhou	Individual	Support	No

Comments:

Aloha Chair Dela Cruz and members of the WAM Committee, my name is Keauhou Mitchell-Aldan and I am a resident of Ewa. I strongly support HB 1584 HD2 SD1. Both the Intergovernmental Panel on Climate Change and the Hawai'i Climate Change Mitigation and Adaptation Commission support carbon pricing as the most effective action to reduce emissions. However, no state has adopted a carbon tax and Hawai'i's carbon tax could disproportionately affect low and moderate income communities if not implemented correctly. A study on a carbon tax is warranted and the details of the study as proposed in the SD1 will provide clear policy guidance for how Hawai'i's carbon tax can be both effective and equitable."

HB-1584-SD-1

Submitted on: 4/3/2019 9:14:54 AM

Testimony for WAM on 4/4/2019 10:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Constance Keoahunui Uale Warrington	Individual	Support	No

Comments:

Aloha Chair Dela Cruz and members of the WAM Committee,

My name is Constance Keoahunui Uale Warrington and I am a resident of Nuuanu, Oahu. I strongly support HB 1584 HD2 SD1. Both the Intergovernmental Panel on Climate Change and the Hawai'i Climate Change Mitigation and Adaptation Commission support carbon pricing as the most effective action to reduce emissions. However, no state has adopted a carbon tax and Hawai'i's carbon tax could disproportionately affect low and moderate income communities if not implemented correctly. A study on a carbon tax is warranted and the details of the study as proposed in the SD1 will provide clear policy guidance for how Hawai'i's carbon tax can be both effective and equitable."

Mahalo,

Constance Keoahunui Uale Warrington

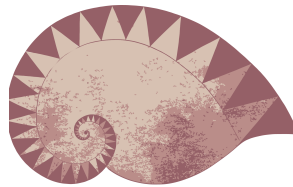
HB-1584-SD-1

Submitted on: 4/3/2019 10:21:06 AM

Testimony for WAM on 4/4/2019 10:35:00 AM

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

Comments:



Pono Hawai'i Initiative

LATE

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

Thursday, April 4, 2019

House Bill 1584 HD2 SD1
Testifying in Support with Amendments

Aloha, Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means,

The Pono Hawai'i Initiative (PHI) **supports HB1584 HD2 SD1 Relating to Carbon Emissions**, which appropriates funds to the Office of Planning to conduct a comprehensive study of a statewide carbon tax.

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

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

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

We also want to highlight the concerns expressed by Hawaii Appleseed and ask that any study include the exploration measures which would mitigate how a carbon tax might impact low-income tax-payers.

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

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



SIERRA CLUB OF HAWAI'I

MĀLAMA I KA HONUA. *Cherish the Earth.*

LATE

SENATE COMMITTEE ON WAYS AND MEANS

April 4, 2019

10:35 AM

Room 211

In SUPPORT of HB 1584 HD2 SD1: Relating to Carbon Emissions

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and committee members,

On behalf of our 20,000 members and supporters, the Sierra Club of Hawai'i **strongly supports HB 1584 HD2 SD1- Relating to Carbon Emissions**. This bill appropriates funds to conduct a comprehensive study of a statewide carbon tax. The HD1 and HD2 proposed that the study be completed by the University of Hawai'i and the SD1 changed this to the Office of Planning. We prefer the House drafts, but are still in strong support of the SD1, provided that the Office of Planning can meet the October 31, 2020 deadline.

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

The World Bank and International Monetary Fund has also urged countries to impose a price on carbon emissions, stating that there is an "obvious consensus that putting a price on carbon pollution is by far the most powerful and efficient way to reduce emissions."² Our state's Climate Change Mitigation and Adaptation Commission (the Commission) also stated that putting a price on carbon is the most effective single action that will achieve Hawai'i's ambitions and necessary reduction goals, but noted that a carbon pricing mechanism must be equitable and appropriate for Hawai'i, must demonstrate how this is a critical policy tool to protect our future, and must be adequate to change behavior. Additionally, the Commission urged the State to adequately resource through legislative action a partnership with counties and local organizations to develop and undertake a multi-year educational/public service announcement campaign around carbon pricing.³

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

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

³

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

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

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

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

We therefore believe that the logical first step to implement an equitable and effective carbon tax in Hawai'i is passage of HB 1584- a bill that is dedicated to studying the feasibility and impacts of carbon pricing in Hawai'i. The conditions of the study, as articulated in HB 1584, will provide strong policy guidance for which type of carbon pricing mechanism Hawai'i should pursue.

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

Thank you very much for this opportunity to provide testimony in **support of HB 1584 HD2 SD1**.

Mahalo,



Jodi Malinoski, Policy Advocate

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

LATE

HB-1584-SD-1

Submitted on: 4/3/2019 10:49:39 AM

Testimony for WAM on 4/4/2019 10:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Casey Takayama	Testifying for Sierra Club	Support	No

Comments:

Aloha Chair Dela Cruz and members of the WAM Committee, my name is Casey Takayama and I am a resident of Waimanalo, Hawaii. I strongly support HB 1584 HD2 SD1. Both the Intergovernmental Panel on Climate Change and the Hawai'i Climate Change Mitigation and Adaptation Commission support carbon pricing as the most effective action to reduce emissions. However, no state has adopted a carbon tax and Hawai'i's carbon tax could disproportionately affect low and moderate income communities if not implemented correctly. A study on a carbon tax is warranted and the details of the study as proposed in the SD1 will provide clear policy guidance for how Hawai'i's carbon tax can be both effective and equitable.



LATE

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

**SUPPORTING THE INTENT OF HOUSE BILL 1584, HOUSE DRAFT 2, SENATE DRAFT 1,
RELATING TO CARBON EMISSIONS**

Senate Committee on Ways & Means
The Honorable Donovan Dela Cruz, Chair
The Honorable Gilbert Keith-Agaran, Vice Chair

Thursday, April 4, 2019 at 10:35 a.m.
Hawaii State Capitol, Conference Room 211

Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee,

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

House Bill 1584, House Draft 2, Senate Draft 1 appropriates funds to the Office of Planning to conduct a comprehensive study of a statewide carbon tax.

HPMA supports the overarching rationale of HB 1584, HD 2, SD 1.

We believe studying the feasibility and impacts of carbon pricing is a necessary step towards designing and implementing an effective carbon tax program. HPMA also believes that the Office of Planning should receive input directly from manufacturers and distributors of petroleum-based fuels to help shape carbon tax policy. To this end, we request that you add the following text in Section 2, (a), beginning on Line 13 on page 6:

13 The office of planning shall engage with stakeholders, such
14 as any relevant state agencies, including the department of
15 taxation, business and industry groups, non-governmental
16 organizations with an interest in energy and climate issues, non-

Testimony by the Hawaii Petroleum Marketers Association
Supporting the Intent of H.B. 1584, HD. 2, S.D. 1, Relating to Carbon Emissions
Senate Committee on Ways & Means
Hawaii State Capitol, Room 211
Thursday, April 4, 2019 at 10:35 a.m.
Page 2

17 non-governmental organizations with an interest in economic
18 justice issues, researchers at the University of Hawaii,
19 legislators, the Hawaii climate change mitigation and adaptation
20 commission, manufacturers and distributors of petroleum-based
21 fuels, and any other relevant parties, to develop the appropriate
22 scope of the study.

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

LATE



ELEMENTAL
EXCELERATOR

**Written Statement of Elemental Excelerator
before the Senate Committee on Ways and Means
Thursday, April 4, 2019**

**In consideration of HB 1584 HD 2 SD 1
RELATING TO CARBON EMISSIONS**

Aloha Chair Dela Cruz, Vice-Chair Agaran, and Members of the Senate Committee on Ways and Means:

Elemental Excelerator respectfully **submits support with comments for HB 1584 HD 2 SD 1**, which appropriates funds to the Office of Planning to conduct a comprehensive study of a statewide carbon tax.

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

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

We support HB 1584 HD 2 SD 1 because we believe in data-driven solutions. A comprehensive study of carbon tax options will help our State, and its legislators understand the opportunities, impacts, and options that a carbon price policy could bring to Hawai'i and illuminate the most reasonable structure for Hawaii's emissions mix.

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

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

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

*renewable deployment growth driven by oil prices, which transfers money from Hawai'i ratepayers to non-Hawaii oil producers, a carbon tax generates revenue that stays in Hawai'i. These funds can be used to further accelerate clean energy deployment through biofuel development, EV incentives, and other activities to help meet Hawaii's Paris commitments. They can also be returned directly to the people of Hawaii to help offset the state's high living costs or to fund education and transition assistance for displaced workers.*¹²

We respectfully submit the following comment on this legislation:

1. Recommended objectives of study:

- a. Elucidate the impact of a range of tax rates that result in meeting the state's targets for reducing greenhouse gas emissions.
- b. Provide insight into the variety of uses of the tax revenue, their merits, and tradeoffs.
- c. Consider how the tax structure can be made less regressive and determine the baseline.
- d. Understand individuals in different income brackets and their energy consumption habits.

2. Methods: For a successful study, we need a model that has general equilibrium feedbacks so that we can account for the rebound effects. Additionally, transportation and energy economic analysis will likely require different models and calibration to be effective. Meaningful partnership from Department of Taxation on how to operationalize the tax is critical. We recommend a nationally reputable firm on carbon pricing partnered with a Hawai'i based subconsultant to ground truth findings.

3. Cost: A reasonable cost for a study that reflects the objectives listed above, includes models and calibration, and recommends how to operationalize a carbon tax is \$200,000.

4. Timeline: We recommend at least 1-year period after awarding the study and issuing a notice to proceed, with quarterly updates to the State Climate Change Commission and recommendations for the 2020 and 2021 legislative sessions.

Mahalo for the opportunity to provide testimony on this legislation.

Sincerely,



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

² U.S. Energy Information Administration, Energy-Related Carbon Dioxide Emissions by State, 2005-2016, <https://www.eia.gov/environment/emissions/state/analysis/pdf/stateanalysis.pdf>

LATE



Chair Dela Cruz
Vice Chair Keith-Agaran

Thursday, April 4, 2019
10:35 AM

**TESTIMONY IN SUPPORT WITH AMENDMENTS OF HB1584 HD2 SD1 RELATING
TO CARBON EMISSIONS**

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, Members of the Senate Committee on Ways & Means,

My name is Jun Shin. I am the Environmental Justice Action Committee Chair for the Young Progressives Demanding Action (YPDA). YPDA represents approximately 1,000 Hawai'i residents, mostly of Honolulu who seek to build a Hawai'i that is just, equitable, and sustainable. YPDA is in **support of HB1584 HD2 SD1 with amendments, Relating to Carbon Emissions.**

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

Proposed Amendments:

We request for your committees to incorporate public engagement. A tax on carbon emissions will impact all of Hawai'i residents, so we would like the opportunity for our members and the public to be involved in the process. With there being a lack of time and the existence of previous data to assist the university as

carbon pricing has been studied as a major environmental policy, as well as the existence of previous legislation and carbon pricing initiatives by other states and even the United States Congress, YPDA would also like to propose for UH to submit their final report to the legislature no later than December 31, 2019. This allows time for legislation to be passed in the 2020 Legislative Session.

Young Progressives Demanding Action is in **support of HB1584 HD2 SD1 with amendments** and we request your committee to please **pass this measure with considerations of our amendments** for the future of Hawai'i and it's residents.

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

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

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

LATE

HB-1584-SD-1

Submitted on: 4/3/2019 12:31:08 PM
Testimony for WAM on 4/4/2019 10:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
William Simonsma	Individual	Support	No

Comments:

Aloha,

Please support this Carbon Tax Study. And whoever does the study should take a careful at what British Columbia is doing.

Sincerely,

William Simonsma, Waikoloa, 96738

LATE

HB-1584-SD-1

Submitted on: 4/3/2019 12:19:16 PM

Testimony for WAM on 4/4/2019 10:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Gail Jackson	Individual	Support	No

Comments:

Aloha,

Please vote for this Carbon Tax Study. We really need to take a hard look on how some Canadian provinces are handling their carbon tax.

Thank you,

Gail Jackson, Waikoloa, HI 96738

LATE

HB-1584-SD-1

Submitted on: 4/3/2019 6:15:40 PM

Testimony for WAM on 4/4/2019 10:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Meredith Buck	Individual	Support	No

Comments:

I support HB 765 HD1 SD1, which provides the legislative mandate needed to implement findings and recommendations from the "Hawai'i Sea Level Rise Vulnerability and Adaptation Report" prepared by the Hawai'i Climate Change Mitigation and Adaptation Commission, especially those recommendations dealing with climate change hazards and mitigation in an era of sea level rise. This bill is a good first step to ensure our agencies incorporate and evaluate the latest sea level rise projections to help prepare our state for the impacts of rising seas. Please support HB 765.

LATE

HB-1584-SD-1

Submitted on: 4/3/2019 10:28:22 PM

Testimony for WAM on 4/4/2019 10:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Nanea Lo	Individual	Support	No

Comments:

Hello,

WAM Committee, I strongly support HB 1584 HD2 SD1. Both the Intergovernmental Panel on Climate Change and the Hawai'i Climate Change Mitigation and Adaptation Commission support carbon pricing as the most effective action to reduce emissions. However, no state has adopted a carbon tax and Hawai'i's carbon tax could disproportionately affect low and moderate income communities if not implemented correctly. A study on a carbon tax is warranted and the details of the study as proposed in the SD1 will provide clear policy guidance for how Hawai'i's carbon tax can be both effective and equitable.

Thank you,

Nanea Lo

LATE

HB-1584-SD-1

Submitted on: 4/4/2019 6:32:40 AM

Testimony for WAM on 4/4/2019 10:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Virginia Tincher	Individual	Support	No

Comments:

"Aloha Chair Dela Cruz and members of the WAM Committee, my name is Virginia Tincher and I am a resident of Honolulu. I strongly support HB 1584 HD2 SD1. Both the Intergovernmental Panel on Climate Change and the Hawai'i Climate Change Mitigation and Adaptation Commission support carbon pricing as the most effective action to reduce emissions. However, no state has adopted a carbon tax and Hawai'i's carbon tax could disproportionately affect low and moderate income communities if not implemented correctly. A study on a carbon tax is warranted and the details of the study as proposed in the SD1 will provide clear policy guidance for how Hawai'i's carbon tax can be both effective and equitable."