



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 FINANCE
Tuesday, February 25, 2020
12:30 PM
State Capitol, Conference Room 308

In SUPPORT of
HB 2701, HD1
RELATING TO THE ENVIRONMENT.

Chair Luke, Vice Chair Cullen, and Members of the Committee, the Hawaii State Energy Office (HSEO) supports HB 2701, HD1, which requires agencies receiving an allocation from the Environmental Response, Energy and Food Security Tax (“Barrel Tax”) to consider how use of these monies can also assist the State in achieving the zero emissions clean economy target and increase the resilience of the State’s energy systems to the impacts of climate change. HB 2701, HD1 also requires annual reporting of how expenditures supported these objectives.

The HSEO’s Energy Security Special Fund (ESSF) is allocated \$0.05 of the tax on each barrel of fossil fuel from the Barrel Tax. Having to consider the State’s zero emissions clean economy target and climate change resilience in its ESSF expenditure decisions is entirely consistent with the mission of the HSEO. In addition, the allowable uses of the ESSF pursuant to section 201-12.8(b), Hawaii Revised Statutes include:

- (1) To fund, to the extent possible, the climate change mitigation and adaptation commission and the greenhouse gas sequestration task force; and
- (2) To support achieving the zero emissions clean economy target set forth in section 225P-5.

The annual report prepared by the HSEO for the Legislature, which provides the status and progress of existing programs and activities and the status of new programs and activities funded by the ESSF, could be augmented to address the new reporting requirements proposed by HB 2701, HD1.

Thank you for the opportunity to testify.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented to the
House Committee on Finance
Tuesday, February 25, 2020 at 12:30 p.m.

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

HB 2701 HD1 – RELATING TO THE ENVIRONMENT

Chair Luke, Vice Chair Cullen, and members of the committee:

The Hawai'i Natural Energy Institute (HNEI) supports HB 2701 HD1, which would require agencies allotted a portion of the environmental response, energy, and food security tax to consider actions in achieving the zero emissions clean economy target and climate resilience, and require reporting.

Currently, HNEI collaborates and coordinates much of the activity funded by the energy systems development special fund (ESDSF) with various energy stakeholders, including the State Energy Office, the Public Utilities Commission, the utilities, technology developers and others. Although a primary purpose of the ESDSF is to develop technologies and approaches to help reduce Hawaii's dependence on fossil fuels, HNEI has increasingly been doing so in the context of assessing emissions impacts and the resiliency of our power systems. We agree that it is important to coordinate as much as possible across sectors in order to have the greatest impact in advancing the State's policy goals with respect to emissions and climate resilience.

Thank you for the opportunity to comment on HB 2701 HD1.



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

To: The House Committee on Finance
From: Brodie Lockard, Founder, 350Hawaii.org
Date: Tuesday, February 25, 2020, 12:30 pm

Comments on HB 2701 HD1

Dear Chair Luke, and members:

350Hawaii.org's 6,000 members offer comments on HB 2701 HD1.

The barrel tax was created both to promote clean energy and local food programs, and to discourage oil consumption. But much of its revenues have been diverted to the general fund. And some agencies using its funds could be using them better.

Requiring agencies allotted a portion of the barrel tax to "consider actions" is so vague as to be almost useless. A required report explaining how the expenditures made support the State's clean energy economy and climate change resilience could be useful.

The lege needs to stop wasting time with half-hearted measures and endless reports and start taking real action to bring the State's greenhouse gas emissions to zero by 2030.

Brodie Lockard
Founder, 350Hawaii.org

HB-2701-HD-1

Submitted on: 2/24/2020 10:16:13 AM

Testimony for FIN on 2/25/2020 12:30:00 PM

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

Comments:

Comments on HB 2701 HD1

Dear Chair Luke, and members:

As one of 350Hawaii.org's 6,000 members, I offer comments on HB 2701 HD1.

The barrel tax was created both to promote clean energy and local food programs, and to discourage oil consumption. But much of its revenues have been diverted to the general fund. And some agencies using its funds could be using them better.

Requiring agencies allotted a portion of the barrel tax to "consider actions" is so vague as to be almost useless. A required report explaining how the expenditures made support the State's clean energy economy and climate change resilience could be useful.

The lege needs to stop wasting time with half-hearted measures and endless reports and start taking real action to bring the State's greenhouse gas emissions to zero by 2030.

www.WeAreOne.cc

HB-2701-HD-1

Submitted on: 2/23/2020 7:15:44 PM

Testimony for FIN on 2/25/2020 12:30:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|------------------------------|---------------------------|---------------------------|
| Climate Protector | Climate Protectors Coalition | Support | No |

Comments:

HB-2701-HD-1

Submitted on: 2/23/2020 10:08:19 PM

Testimony for FIN on 2/25/2020 12:30:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Sylvia Dolena | Pele Lani Farm LLC | Comments | No |

Comments:

As one of 350Hawaii.org's 6,000 members, I offer comments on HB 2701 HD1.

We are running out of time!

With all due respect, the legislature needs to stop wasting time with half-hearted measures and endless reports and start taking real action to bring the State's greenhouse gas emissions to zero by 2030.

The barrel tax was created both to promote clean energy and local food programs, and to discourage oil consumption. But much of its revenues have been diverted to the general fund. And some agencies using its funds could be using them better.

Requiring agencies allotted a portion of the barrel tax to "consider actions" is so vague as to be almost useless. A required report explaining how the expenditures made support the State's clean energy economy and climate change resilience could be useful.

Mahalo,

Sylvia Dolena

HB-2701-HD-1

Submitted on: 2/23/2020 9:39:35 PM

Testimony for FIN on 2/25/2020 12:30:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|--------------------|--------------------|
| tlaloc tokuda | Individual | Comments | No |

Comments:

To: The House Committee on Finance

From: **Tlaloc Tokuda**

Date: Tuesday, February 25, 2020, 12:30 pm

Comments on HB 2701 HD1

Dear Chair Luke, and members:

As one of 350Hawaii.org's 6,000 members, I offer comments on HB 2701 HD1.

The barrel tax was created both to promote clean energy and local food programs, and to discourage oil consumption. But much of its revenues have been diverted to the general fund. And some agencies using its funds could be using them better.

Requiring agencies allotted a portion of the barrel tax to "consider actions" is so vague as to be almost useless. A required report explaining how the expenditures made support the State's clean energy economy and climate change resilience could be useful.

The legislature needs to stop wasting time with half-hearted measures and endless reports and start taking real action to bring the State's greenhouse gas emissions to zero by 2030. Mahalo

Tlaloc Tokuda

Kailua Kona, HI 96740

HB-2701-HD-1

Submitted on: 2/24/2020 6:57:02 AM

Testimony for FIN on 2/25/2020 12:30:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Nanea Lo | Individual | Comments | No |

Comments:

Dear Chair Luke, and members:

As one of 350Hawaii.org's 6,000 members, I offer comments on HB 2701 HD1.

The barrel tax was created both to promote clean energy and local food programs, and to discourage oil consumption. But much of its revenues have been diverted to the general fund. And some agencies using its funds could be using them better.

Requiring agencies allotted a portion of the barrel tax to "consider actions" is so vague as to be almost useless. A required report explaining how the expenditures made support the State's clean energy economy and climate change resilience could be useful.

The lege needs to stop wasting time with half-hearted measures and endless reports and start taking real action to bring the State's greenhouse gas emissions to zero by 2030.

me ke aloha 'Ä• ina,

Nanea Lo

HB-2701-HD-1

Submitted on: 2/24/2020 8:54:05 AM

Testimony for FIN on 2/25/2020 12:30:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Clara Kathman | Individual | Support | No |

Comments:

Rep. Sylvia Luke, Chair

Rep. Ty J.K. Cullen, Vice Chair

COMMITTEE ON FINANCE

February 24, 2020

Support on House bill 2701 relating to the environment.

Hello, I am Clara Kathman a sophomore at Kalaheo High School and I fully support HB2701. The purpose of this bill is to take money from the environmental response, energy, and food security taxes and use it to take actions in achieving the zero emissions clean economy target and climate change resilience. This will help move Hawaii toward a more carbon neutral and zero-waste future.

The state of Hawaii has already set goals to achieve 100% renewable energy in the electricity sector and zero-emissions from ground transportation by 2045. This house bill can help achieve these goals by providing appropriate funding that the government is already taking in. Thus this bill will not raise any taxes or take away any extra money from citizens but rather use money we already have to create a cleaner and healthier future for Hawaii.

Thank you for your time and consideration, and I truly hope that you will support House Bill 2701.

HB-2701-HD-1

Submitted on: 2/24/2020 1:18:04 PM

Testimony for FIN on 2/25/2020 12:30:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Janet Pappas | Individual | Support | No |

Comments:

Dear Chair Luke and FIN committee members,

I strongly support HB2701 HD1. Agencies receiving monies that were diverted from the barrel tax fund need to be using these funds properly. That is, using those funds they should be either responding to an environmental issue, supporting renewable energy projects, or enhancing food security in Hawaii. This bill also ensures that a written report be submitted detailing their project(s). Without these funding requirements, we cannot be sure the needs of our state are being met.

Please ensure that the above requirements are met before doling out money to the specified agencies. Please pass HB2701 HD1.

Thank you for listening.

Sincerely,

Jan Pappas

Aiea, Hawaii

HB-2701-HD-1

Submitted on: 2/24/2020 2:22:56 PM

Testimony for FIN on 2/25/2020 12:30:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Phaethon Keeney | Individual | Support | No |

Comments:

Aloha! Please Support HB2701 HD1, which requires agencies allotted a portion of the environmental response, energy, and food security tax to consider and report how expenditures from these special funds help to achieve the zero emissions clean economy target and climate change resilience. While the changing climate presents real threats to global economies, agricultural production, forest resources, connection to land and ways of life, the beginnings of which are already apparent in Hawaii's social and environmental landscape, the solution to these threats is also significant in that it lies not just in large scale business development but with commonsense support for the people of Hawaii, which needs to be appropriately weighed. Consider small scale homeowner solar and microgrids vs large utility projects, or support for those who are impacted by Climate Change the most, farmers, ranchers, forest land managers, cultural stewards and people living off the land. Often natural climate solutions are less championed and discussed in the halls of power due to grassroots folks being, well, busy outside, but natural climate solutions have multifaceted benefits to society and weigh heavily in the overall solutions impact scale, as addressed in the UN IPCC 2019 Special Report on Land. State programs which aim to assist in the transition to a zero emissions clean economy should absolutely be asked to publicly consider and weigh best possible returns as we have limited time and funds with which to make a rather radical transition, and the public should have transparency and accountability on how funds are spent in alignment with the values of Hawaii's people, not just business interests.

Mahalo for your time,

Phaethon Keeney

Honokaa Hawaii

HB-2701-HD-1

Submitted on: 2/24/2020 2:25:40 PM

Testimony for FIN on 2/25/2020 12:30:00 PM

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

Comments:

LATE

HB-2701-HD-1

Submitted on: 2/24/2020 5:56:30 PM

Testimony for FIN on 2/25/2020 12:30:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Sherry Pollack | Individual | Support | No |

Comments:

LATE

HB-2701-HD-1

Submitted on: 2/24/2020 9:40:54 PM
Testimony for FIN on 2/25/2020 12:30:00 PM

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

Comments:

To: The House Committee on Finance
From: **ZOE**
Date: Tuesday, February 25, 2020, 12:30 pm

Comments on HB 2701 HD1

Dear Chair Luke, and members:

As one of 350Hawaii.org's 6,000 members, I offer comments on HB 2701 HD1.

The barrel tax was created both to promote clean energy and local food programs, and to discourage oil consumption. But much of its revenues have been diverted to the general fund. And some agencies using its funds could be using them better.

Requiring agencies allotted a portion of the barrel tax to "consider actions" is so vague as to be almost useless. A required report explaining how the expenditures made support the State's clean energy economy and climate change resilience could be useful.

The lege needs to stop wasting time with half-hearted measures and endless reports and start taking real action to bring the State's greenhouse gas emissions to zero by 2030.

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. Together we can!

Mahalo for your hard work!

LATE

HB-2701-HD-1

Submitted on: 2/24/2020 9:42:38 PM

Testimony for FIN on 2/25/2020 12:30:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Caroline Kunitake | Individual | Comments | No |

Comments:

Dear Chair Luke, and members:

As one of 350Hawaii.org's 6,000 members, I offer comments on HB 2701 HD1.

The barrel tax was created both to promote clean energy and local food programs, and to discourage oil consumption. But much of its revenues have been diverted to the general fund. And some agencies using its funds could be using them better.

Requiring agencies allotted a portion of the barrel tax to "consider actions" is so vague as to be almost useless. A required report explaining how the expenditures made support the State's clean energy economy and climate change resilience could be useful.

We need to take real action to bring the State's greenhouse gas emissions to zero by 2030.

Mahalo,

Caroline Kunitake

LATE

HB-2701-HD-1

Submitted on: 2/25/2020 1:28:02 AM

Testimony for FIN on 2/25/2020 12:30:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Jeremy Garrett | Individual | Support | No |

Comments:

Achieveing zero emissions should be the state's number one priority. Committees and agencies should have stated in their purpose/mission statements explicit language to make them accountable to that end. Please pass this measure.

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

MORRIS M. ATTA
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512
Phone: (808) 973-9600 FAX: (808) 973-9613



TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON FINANCE

FEBRUARY 25, 2020
12:30 P.M.
CONFERENCE ROOM 325

HOUSE BILL NO. 2701 HD1
RELATING TO THE ENVIRONMENT

Chairperson Luke and Members of the Committee:

Thank you for the opportunity to testify on House Bill 2701 HD1. This measure requires the departments who receive a portion of the Environmental Response, Energy, and Food Security Tax for distribution to their respective revolving and special funds to determine how the actions using their respective funds can assist the State in achieving the 'zero emissions clean economy target' (Section 225P-5(a)). This measure also requires each department's annual report to the legislature on their respective funds to explain how the expenditures made support the State's clean energy economy and climate change resilience. The Department offers comments specific to the requirements affecting the Agricultural Development and Food Security Special Fund and an amendment.

The Department of Agriculture understands and does not dispute the guidance contained in the Hawaii Climate Change Mitigation and Adaptation Initiative (Chapter 225P). Please note that the Department is a charter member of the Hawaii Climate Change Mitigation and Adaptation Commission and the Greenhouse Gas Sequestration Task Force, both functions established under Chapter 225P. In both organizations, the Department seeks to balance the needs of Hawaii's production agricultural operations and their potential role, within reason, to mitigate "...greenhouse gas emissions by sequestering more atmospheric carbon and greenhouse gases that the State produces." (Section 225P-1(2))

We are equally serious about our responsibilities to properly advance the



nine purposes to which the Agricultural Development and Food Security Special Fund (hereinafter Food Security Special Fund) are to be applied (Section 141-10(c)). These purposes directly target agricultural production and processing such as agricultural resources, agricultural research, agricultural equipment, plant quarantine, promotion and marketing of agricultural products, water testing, and other activities "...intended to increase agricultural production or processing that may lead to reduced importation of food, fodder, or feed from outside the State." These purposes also directly support the doubling of local food production by 2030, and increasing food self-sufficiency, both initiatives of the Legislature (in Act 151 SLH 2019) and the Administration (though the Administration set a 2020 goal in the Sustainable Hawaii Initiative).

We point out that Section 225P-5(b) explains how agencies are to consider the 'zero emissions clean economy target' in their planning and decisions.

"(b) The Hawaii climate change mitigation and adaptation commission shall endeavor to achieve the goals of this section. After January 1, 2020, agency plans, decisions, and strategies shall give consideration to the impact of those plans, decisions, and strategies on the State's ability to achieve the goals in this section, weighed appropriately against their primary purpose."
(emphases added)

Supporting increased local agricultural production is the "primary purpose" of the Food Security Special Fund and that the extent to which agricultural producers and owners of agricultural lands can assist the State in achieving the zero emissions clean economy target as an outcome of the work of the Hawaii Climate Change Mitigation and Adaptation Commission and the Greenhouse Gas Sequestration Task Force should be sufficient evidence of overall effort, thus negating the need for Section 4 of the bill, as follows:

~~"SECTION 4. Section 141-10, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:~~

~~— "(d) The department of agriculture shall submit a report to the legislature no later than twenty days prior to the convening of each regular session on the status and progress of existing programs and activities and the status of new programs and activities funded under the agricultural~~

~~development and food security special fund. The report shall also include:~~

~~—— (1) The spending plan of the agricultural development and food security special fund[;], including an analysis of how the spending plan will support achieving the zero emissions clean economy target set forth in section 225P-5 and will increase the resilience of the State's food systems to the impacts of climate change;~~

~~—— (2) All expenditures of agricultural development and food security special fund moneys[;], including an explanation of how these expenditures have supported achieving the zero emissions clean economy target set forth in section 225P-5 and increased the resilience of the State's food systems to the impacts of climate change;~~

~~—— (3) The targeted markets of the expenditures, including the reason for selecting those markets;~~

~~—— (4) The persons to be served using the expenditures; and~~

~~—— (5) The specific objectives of the expenditures, including measurable outcomes."~~

Thank you for the opportunity to testify on this measure.