

HAWAII STATE ENERGY OFFICE STATE OF HAWAII

DAVID Y. IGE
GOVERNOR

SCOTT J. GLENN
CHIEF ENERGY OFFICER

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Testimony of
SCOTT J. GLENN, Chief Energy Officer

before the
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

Friday, March 19, 2021
3:30 PM
State Capitol, Conference Room 224 & Videoconference

Comments in consideration of
HB 111, HD2
RELATING TO RENEWABLE ENERGY.

Chair Wakai, Vice Chair Misalucha, and Members of the Committee, the Hawaii State Energy Office (HSEO) provides comments on HB 111, HD2, which:

- except for emergency generators, eliminates the use of fossil fuels for electricity generation or storage after 2045;
- prohibits the approval by the Public Utilities Commission of cost recovery for fossil-fueled generation or storage facilities (unless allowing an electric utility to recover the stranded costs created by early retirement of a fossil generation plant), potentially starting with the effective date of the bill; and
- clarifies that Hawai'i Revised Statutes section 269-6 (b) pertaining to determining the reasonableness of utility system capital improvement costs pertains to fossil fuel electricity generation and fossil-fuel powered energy storage costs.

The HSEO appreciates the intent of the bill, to send a clear message and to take action to stop investing in systems dependent upon fossil fuels. However, the HSEO is concerned that the second item above, potentially resulting in an abrupt and immediate cessation of approvals affecting a majority of the existing generation capacity on Hawai'i's electrical grids, could interfere with the discretion of the Public Utilities

Commission and could result in unintended consequences in which the state's energy objective, as stated in Section 226-18(a) of the Hawai'i Revised Statutes (HRS), "Dependable, efficient, and economical statewide energy systems capable of supporting the needs of the people;" are jeopardized.

As stated in HRS Section 226-18 (b), "To achieve the energy objectives, it shall be the policy of this State to ensure the short- and long-term provision of adequate, reasonably priced, and dependable energy services."

Discussions of how, and when, the complete replacement of fossil fuels in the electricity (and other) sectors can take place is occurring in many venues, including in the Integrated Grid Planning docket before the Public Utilities Commission. The results of these efforts will be beneficial to establishing retirement dates for various power plants. The potential re-purposing of existing equipment such as engine generators to other uses, such as synchronous condensers to provide inertia on the system, may be considered, as the benefits, roles, and changing forms of energy generation and storage are developed. It is clear that it is important to plan for flexibility and resilience in our electrical systems during the transition, which will be accelerated with the retirement of the coal plant on Oahu in 2022, the Kahului Power Plant in 2024, and other units as new renewable generators come on-line.

HSEO's comments are guided by its mission to promote energy efficiency, renewable energy, and clean transportation to help achieve a resilient, clean energy, decarbonized economy.

Thank you for the opportunity to testify.

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

TO THE
SENATE COMMITTEE ON
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

March 19, 2021
3:30 p.m.

Chair Wakai and Members of the Committee:

MEASURE: H.B. No. 111 HD2

TITLE: RELATING TO RENEWABLE ENERGY.

DESCRIPTION: Prohibits the use of fossil fuels for electricity generation or storage after 12/31/2045. Prohibits the Public Utilities Commission from approving cost recovery of any application or proposal for generation or storage facilities that use fossil fuels, with certain exceptions. Exempts emergency generators. Effective 7/1/2050. (HD2)

POSITION:

The Public Utilities Commission (“Commission”) offers the following comments for consideration.

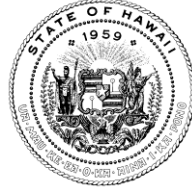
COMMENTS:

The Commission is supportive of this measure’s intent to ensure that the state’s electricity system is powered by renewable energy, as is consistent with the state’s clean energy goals.

The Hawaiian Electric Companies’ (“Companies”) most recent power supply improvement plan (PSIP) update projects that the 100% renewable portfolio standard (RPS) will be reached in 2040. The Commission is currently overseeing the creation and implementation of an Integrated Grid Planning (IGP) Report, which proposes to merge three historically separate planning processes (generation, transmission, and distribution), while integrating competitive procurement into a comprehensive grid planning approach. The IGP Report succeeds the PSIP, which was designed to identify and meet each island’s unique grid needs. Through its IGP efforts, the Commission and

the electric utilities will attain a more holistic understanding of each island's grid and the steps required to meet existing and future needs.

Thank you for the opportunity to testify on this measure.



DAVID Y. IGE
GOVERNOR

JOSH GREEN
LT. GOVERNOR

**STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

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CATHERINE P. AWAKUNI COLÓN
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

Testimony of the Department of Commerce and Consumer Affairs

**Before the
Senate Committee on Energy, Economic Development, and Tourism
Friday, March 19, 2021
3:30 p.m.
Via Videoconference**

**On the following measure:
H.B. 111, H.D. 2, RELATING TO RENEWABLE ENERGY**

Chair Wakai and Members of the Committee:

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

The purposes of this bill are to: (1) prohibit the use of fossil fuels for electricity generation or grid-tied battery energy storage after December 31, 2045; (2) prohibit the Public Utilities Commission (Commission) from approving cost recovery of any application or proposal for generation or storage facilities that use fossil fuels, with certain exceptions; and (3) exempt emergency generators.

The Department appreciates how H.D. 2 exempts emergency generators from the ban on using fossil fuels to generate or store electricity, as this exemption will provide flexibility to address reliability and resilience issues. However, the Department remains concerned about the unintended consequences that may result from subsection (b) on page 3, lines 18 through 21 of the bill.

Subsection (b) creates a cost recovery exception under Hawaii Revised Statutes (HRS) section 269-6(d)(3), where the Commission can approve the utility cost recovery of a generating or storage unit that uses fossil fuels, at any time, as long as the utility also requests the establishment of a stranded cost recovery mechanism that encourages the accelerated retirement of the fossil fuel generation plant. The Department is concerned this exemption will allow the Commission to consider fossil fueled solutions in 2040, for example, as long as accelerated cost recovery occurs within five years to allow for early retirement. Renewable portfolio standards, once corrected to eliminate the sales-versus-generation loophole, will set clear guidelines for the Commission to ensure the elimination of fossil fuel reliance by 2045. However, if subsection (b) will remain, the Department recommends amending subsection (b) to be consistent with subsection (a) and read: “The public utilities commission shall not approve any application or proposal for public utility cost recovery for any generation or storage facilities that use fossil fuels[~~,- except as provided under section 269-6(d)(3)-~~] after December 31, 2045.”

The Department appreciates section 3’s amendments to HRS section 269-6, as they clarify that the Commission does not need to conduct greenhouse gas emissions analyses when a utility seeks approval for such matters as financing authority, as well as when other utilities, such as a water or wastewater company, file an application with the Commission. Section 3 also provides further clarity related to future energy storage projects beyond the scope of battery storage systems.

Thank you for the opportunity to testify on this bill.



**Hawaiian
Electric**

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM**

H.B. 111 H.D. 2

Relating to Renewable Energy

Friday, March 19, 2021
3:30 pm, Agenda Item #1
State Capitol, Conference Room 224

Marc Asano
Director, Integrated Grid Planning
Hawaiian Electric

Chair Wakai, Vice Chair Misalucha, and Members of the Committee:

My name is Marc Asano and I am testifying on behalf of Hawaiian Electric Company **in opposition to H.B. 111 H.D. 2**, Relating to Renewable Energy.

H.B. 111, H.D. 2 proposes to ban the use of fossil fuels for electric generation production or storage after December 31, 2045 and does not allow the Public Utilities Commission to approve cost recovery of any proposal for generation or storage facilities that use fossil fuels.

Hawaiian Electric supports breaking the State's dependence on fossil fuels; however, it should be done in a cost-effective, reliable, and resilient manner. As you know this past year the Company exceeded our goal of 30% and achieved nearly 35% renewable energy. The State's 100% Renewable portfolio standards (100% RPS Mandate) pursuant to H.R.S. §269-92 already requires the Company to virtually eliminate fossil fuel usage by 2045. While we oppose this bill, if your Committee is considering its passage, please ensure proper alignment between H.B. 111 H.D. 2 and the State's 100% RPS Mandate. H.B. 111 H.D. 2 should include events or circumstances that are outside the electric utility's control as described in §269-92(d), to

ensure the resilience of the electric system such that the utility is able to supply power during emergency situations, and where fossil fuel generation may be the only type of generation that the utility has access to during these events. Further, the Company should be able to supply the community with fossil fuel power if that is the last option available, particularly in an emergency situation when access to renewable energy resources are limited or unavailable. The Company may also be unable to acquire renewable energy because of community, land use or other policy circumstances that may inhibit its development. To that end, the Company requests the following amendments:

- To meet the intent of this bill, Section 2, part (a) on page 2, line 14 should clarify that after December 31, 2045, “electricity generation facilities, except emergency generators, including merchant or co-generation facilities, owned or operated by the electric utility, independent power producers, government and non-government agencies, and any persons or entities, shall cease the use of all fossil fuels for the generation or storage of electricity.” (proposed language underlined) This will ensure all entities that own or operate generation facilities contribute to reducing the State’s dependence on fossil fuel and reduction of greenhouse gases. State policy would fail to address climate change if non-utility generation continued to burn fossil fuel and emit greenhouse gases.
- In order to ensure consistency with H.R.S. §269-92 (d), a new section (c) should be inserted into Section 2 of this bill to similarly allow for exemptions due to circumstances outside the utility’s control:

1) For events or circumstances that are outside of an electric utility company's reasonable control, and may include, to the extent the event or circumstance could not be reasonably foreseen and ameliorated:

- a) Weather-related damage;
 - b) Natural disasters;
 - c) Mechanical or resource failure;
 - d) Failure of renewable electrical energy producers to meet contractual obligations to the electric utility company;
 - e) Labor strikes or lockouts;
 - f) Actions of governmental authorities that adversely affect the generation, transmission, or distribution of renewable electrical energy under contract to an electric utility company;
 - g) Inability to acquire sufficient renewable electrical energy to meet the renewable portfolio standard goals beyond 2030 in a manner that is beneficial to Hawaii's economy in relation to comparable fossil fuel resources;
 - h) Substantial limitations, restrictions, or prohibitions on utility renewable electrical energy projects; and
 - i) Other events and circumstances of a similar nature.
- Finally, any grid-tied storage that is currently under contract when this bill goes into effect should be allowed to continue to be charged by renewables or fossil fuel generation until December 31, 2045.

Additionally, it is unclear whether Section 3 of this bill related to Public Utilities Commission approval of generation that uses fossil fuel would be effective December 31, 2045. The Company recommends that the December 31, 2045 date also apply to Section 3 of this bill.

Accordingly, Hawaiian Electric opposes H.B. 111 H.D. 2., while offering proposed amendments for your consideration. Thank you for this opportunity to testify.

FAITH ACTION FOR COMMUNITY EQUITY
ENVIRONMENTAL JUSTICE TASK FORCE

Senate Committee on Energy, Economic Development, and Tourism
March 19, 2021 at 3:30 pm
Via Videoconference and Conference Room 224

SUPPORTING HB 111 HD 2

The Environmental Justice Task Force of Faith Action for Community Equity supports HB 111, HD 2, which will reduce our dependence on imported fossil fuels for generating electricity.

We are concerned, however, that this measure could prevent the introduction of any general purpose utility scale battery storage system on the grid. Utility scale grid connected battery storage systems can quickly reduce the amount of fossil fuels we use for electric power generation, reduce electricity prices, and increase the reliability of delivering electric power to consumers. They store power from any source on the grid, so if a battery storage system was introduced today, at least part of the power that would be stored would come from fossil fuels.

Please amend this bill to ensure that any general purpose grid connected battery storage system would be allowed.

We are also concerned about the target date of 2045, as we need to make sure we do as much as possible in the next 10 years to do Hawaii's part in the reduction of fossil fuel use. Please amend the bill to a 2035 target date to encourage a more rapid transition to a fossil free economy.

Climate change is accelerating, and in the several years before the Covid-19 pandemic, Hawaii's consumption of fossil fuels had not declined. Hawaii must do much more to do its part to control climate change.

This bill will reduce the consumption of fossil fuels and is consistent with the State's 2045 net zero emissions goal (which we would also like to see changed to 2035). This bill should be one of multiple bills passed by the Legislature to enable Hawaii to do its part to control climate change.

Please also consider amending to set a target date to reduce or end electricity generation via biomass combustion as this type of renewable energy also contributes to the degradation of our environment.

Thank you for hearing and supporting HB 111, HD 2. The Environmental Justice Task Force of Faith Action for Community Equity supports HB 111, HD 2.



P.O. Box 37158, Honolulu, Hawai`i 96837-0158
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COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM
Senator Glenn Wakai, Chair
Senator Bennette E. Misalucha, Vice Chair
DATE: Friday, March 19, 2021
TIME: 3:30 p.m.

HB 111 HD2

SUPPORT IF AMENDED

Aloha Chair Wakai, Vice Chair Misalucha, and Members of the Committee

Life of the Land is Hawai`i's own energy, environmental and community action group advocating for the people and `aina for 51 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.

HB 111 HD2 recognizes the “bold and decisive step” the Legislature took last year, to ban coal a few months after the third and final Hawai`i coal-to-electricity plant ceases operations.

HB 111 HD2 proposes another “bold step”, to ban fossil fuel used for electricity generation after renewable energy is used to generate all electricity.

Please change the deadline to get off fossil fuel used for electricity from 2045 to 2035. Include fossil fuel used to generate gas. We can't wait longer.

Mahalo,
Henry Curtis
Executive Director

HB-111-HD-2

Submitted on: 3/18/2021 1:37:21 PM

Testimony for EET on 3/19/2021 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Ted Bohlen	Testifying for Climate Protectors Hawaii	Support	No

Comments:

To: The Honorable Glenn Wakai, Chair, the Honorable Bennette Misalucha, Vice Chair and Energy, Economic Development and Tourism Committee members

From: Climate Protectors Hawai'i (by Ted Bohlen)

Re: Hearing **HB111 HD2– RELATING TO RENEWABLE ENERGY.**

Friday March 19, 2021, 3:30 p.m., by videoconference

Aloha Chair Wakai, Vice Chair Misalucha, and Energy, Economic Development and Tourism Committee members:

The Climate Protectors Hawai'i is a group focused on reversing the climate crisis. **The Climate Protectors Hawai'i STRONGLY SUPPORTS HB111 HD2!**

As a tropical island State, Hawaii will be among the first places harmed by the global climate crisis, with more intense storms, loss of protective coral reefs, food insecurity, and rising sea levels destroying our shorelines. We must do all we can to reduce our carbon footprint and become carbon negative as soon as possible. The planet faces an existential climate crisis and we must act now! The IPCC (Intergovernmental Panel on Climate Change) says we have less than 10 years for worldwide climate action to avoid climate catastrophe. If we are to solve the climate crisis, it will require all of us working together. Hawaii can and should be a leader in showing the world the way forward towards a safe and sustainable climate and future. The sooner we inspire others to take action and lead by example, the better off the future will be for our children.

Electric generation using fossil fuels is one of Hawaii's largest sources of carbon emissions. In order to meet its goal of becoming carbon negative before 2045, the State needs to stop using fossil fuels to generate electricity. But, **2045 will be too late!** In order to keep the world's temperature increase below 1.5 degrees Celsius, we need to take dramatic action in the next ten years, not the next 25 years! **Fossil fuel use needs to be phased out and replaced by cleaner alternatives by 2030. We ask the Committee to amend HB111 HD2 to change the 2045 date to 2030, consistent with**

what the scientific consensus says is necessary to avoid a climate calamity, especially for our island state.

Please pass this bill with the date amended to 2030!

Mahalo!

Climate Protectors Hawai'i (by Ted Bohlen)



Testimony to the Committee on Energy, Economic Development & Tourism

Friday, March 19, 2021

3:30 PM

VIA Video Conference

Conference Room 224, Hawaii State Capitol

HB 111 HD2

Chair Wakai, Vice Chair Misalucha, and members of the committee,

Hawaii Clean Power Alliance (HCPA) **supports** HB 111 HD2.

The Hawaii Clean Power Alliance is a nonprofit association organized to advance the development and sustainability of clean energy in Hawaii. Our goal is to support the state's policy goal of 100 percent renewable energy by 2045. We advocate for utility-scale renewable energy, which is critical to meeting the state's clean energy and carbon reduction goals.

HB111 HD2 reinforces the intent of the state's 2045 policy goal of 100% RPS – eliminating fossil fuel sourced electricity generation, which will help increase reliable, sustainable renewable generation.

With the 100% renewable goal just over two decades away, it must be reinforced that no fossil fuel generation be allowed past 2045 because it is no longer aligned with the need to steadily accelerate the state's renewable energy future.

Please pass HB111 HD2.

Thank you for the opportunity to testify.

Sincerely,

A handwritten signature in black ink, appearing to read "Frederick Redell".

Frederick Redell, PE

Executive Director

(949) 701-8249

www.hawaiicleanpoweralliance.org





To: The Senate Committee on Energy, Economic Development and Tourism
From: Sherry Pollack, 350Hawaii.org
Date: Friday, March 19, 2021, 3:30pm

Comments for HB111 HD2

Aloha Chair Wakai, Vice Chair Misalucha, and Committee members,

I am Co-Founder of the Hawaii chapter of 350.org, the largest international organization dedicated to fighting climate change. On behalf of our 6,000 members and supporters, 350Hawaii.org offers the following comments on this bill.

We are in strong support of HB111 that proposed a deadline for the use of fossil fuels by electric utilities. However, we have serious concerns and are in **strong opposition** to the date which was inserted for prohibition, December 31, 2045 in the current version of this measure.

The planet faces an existential climate crisis and we must act now. As an island state, Hawaii is ground zero for climate devastation, from more intense storms, to food insecurity, to rising seas and shoreline destruction. **Scientists have made clear that we are part of the last generation that can stop or at least mitigate the devastating impacts of climate change.** If we are to solve the climate crisis, it will require all of us working together. Hawaii can and should be a leader in showing the world the way forward towards a safe and sustainable climate and future. **The sooner we inspire others to take action and lead by example, the better off the future will be for our children.**

Emissions from fossil fuel power plants are a leading cause of global warming. This bill *could take* a major step in reducing these harmful emissions, but a target date of 2045 is woefully too late.

The Climate Crisis is here now. Scientists have made clear that we must swiftly phase out fossil fuel use or face untold suffering. We no longer have the luxury to wait to take the necessary actions to drastically reduce our greenhouse gas emissions. **Fossil fuel use needs to be phased out and replaced by nonclimate-harming alternatives by 2030.**

We ask the Committee to amend HB111 HD2 to change the 2045 date to 2030, consistent with what the scientific consensus says is necessary to avoid climate chaos. We recommend that the bill be amended to better keep within our carbon budget and align with the UN IPCC goals of carbon emissions reductions so that Hawaii will do its share to limit the increase of global temperatures from rising greater than 1.5 degrees Celsius. To better achieve this, we recommend this measure require the Energy Office convene a working group to develop a plan with metrics and benchmarks with annual

evaluations on the progress of achieving these goals, with the plan submitted to the legislature in 2022.

Please pass this bill amended to 2030!

Mahalo for the opportunity to testify.

Sherry Pollack
Co-Founder, 350Hawaii.org

HB-111-HD-2

Submitted on: 3/17/2021 11:15:24 AM

Testimony for EET on 3/19/2021 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Kaikea K. Blakemore	Individual	Support	No

Comments:

Support

HB-111-HD-2

Submitted on: 3/18/2021 2:13:08 AM

Testimony for EET on 3/19/2021 3:30:00 PM

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

Comments:

Dear EET, CPN and WAM Chairs, Vice Chairs and Committee members,

Our planet and humanity's existence are now in grave danger due to ongoing climate change. Scientists tell us we must take immediate steps to stop global warming. Hawaii is a huge consumer of fossil fuels, to the tune of \$5 billion of imported fuel yearly. Transitioning away from these carbon-based fuels NOW is critical if we are to reverse the warming.

Bill HB111 HD2 moves us in the right direction by disallowing fossil fuel use for electricity generation and storage, but the date is too far in the future. By 2045, our ability to arrest the warming of the planet will be gone. For best results for ratepayers, and because scientists warn us that time is of the essence, I suggest 50% conversion by 2030 and 100% by Jan. 1, 2035. A plan needs to be in place by 2022 with interim milestones showing progress toward our goal.

Hawaii has many incentives to convert as soon as it is feasible. Using renewable energy will:

- 1) reduce our dependence on imported and price-volatile fossil fuels (now costing us nearly 5 billion/yr) which will help strengthen and stabilize Hawaii's economy
- 2) bring clean energy jobs to Hawaii lifting people out of poverty, and
- 3) reduce carbon emissions that will help protect Hawaii and the world from a climate and environmental catastrophe

As with the pandemic, the critical partners need to work together--in this case, the government agencies and energy utilities--and act quickly and steadily to ensure a livable planet for future generations.

Please pass HB111 this session with the earliest possible transition dates eliminating fossil fuel use for both electricity generation and battery energy storage.

Thank you for listening and for the opportunity to testify.

Sincerely,

Jan Pappas - Aiea, Hawaii

HB-111-HD-2

Submitted on: 3/18/2021 2:07:43 PM

Testimony for EET on 3/19/2021 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Axel Beers	Individual	Support	No

Comments:

The dangers of climate change are well known. Eliminating the use of fossil fuels by 2045 is an important step in the transition to net-zero emissions by 2050, a goal set by the UN. As a state, we should do our part to set a bold agenda and set an example of what it means to act with urgency during this climate crisis. Passing this bill is one part of showing our climate action and recognizing our unique vulnerability to this crisis as an island chain. Please pass this bill.



LAND USE RESEARCH
FOUNDATION OF HAWAII

1100 Alakea Street, Suite 408
Honolulu, Hawaii 96813
(808) 521-4717
www.lurf.org

March 18, 2021

Senator Glenn Wakai, Chair
Senator Bennette E. Misalucha, Vice-Chair
Senate Committee on Energy, Economic Development, and Tourism

**Opposition to HB 111, HD2, RELATING TO RENEWABLE ENERGY.
(Prohibits the use of fossil fuels for electricity generation or storage after
12/31/2045. Prohibits the Public Utilities Commission from approving cost
recovery of any application or proposal for generation or storage facilities
that use fossil fuels, with certain exceptions. Exempts emergency
generators. Effective 7/1/2050. [HD1])**

Friday, March 19, 2021, 3:30 p.m., Conference Room 224 & Videoconference

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers, and utility companies. LURF's mission is to research, educate and advocate for reasonable, rational, and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources and public health and safety.

LURF appreciates the opportunity to provide testimony in **opposition to HB 111, HD2**, because it is unnecessary, premature, and will have the unintended consequences.

HB111, HD2. This measure prohibits the use of fossil fuels for electricity generation or storage after December 31, 2045; prohibits the Public Utilities Commission (PUC) from approving cost recovery of any application or proposal for generation or storage facilities that use fossil fuels, with certain exceptions; exempts emergency generators; and is effective on July 1, 2050.

LURF's Position. LURF members are leaders in clean, green, and renewable energy research, development, generation, transmission, distribution, storage, and implementation of projects in Hawaii. Our LURF members have produced and utilized clean, green, and renewable energy resources for over 100 years, including the use of hydropower, biomass, the sun, wind, and biogas; were the first homebuilders to voluntarily install solar water heaters for homes (before the solar mandate law); have developed award-winning clean, green, renewable energy, and LEED projects, and continue to work on and implement initiatives that are cost-effective, reliable and resilient to reach Hawaii's renewable energy, climate change and sustainability goals.

LURF fully supports the State's goal to be free of the dependence on fossil fuels, by 2045 and we understand that this measure may be a well-meaning attempt to support this goal, however, as stated above, we believe that this effort should be done in a cost-effective, reliable, and resilient manner. Thus, LURF respectfully **opposes the current version of this bill**, because it may be unnecessary, premature, and will have the unintended consequences that could do more harm to Hawaii's consumers.

LURF's opposition is based on the following:

- **These issues will be addressed by the Public Utilities Commission (PUC) in the Integrated Grid Planning (IGP) docket and report.** LURF understands that this bill is unnecessary, because the PUC is currently overseeing the creation and implementation of an IGP Report, which proposes to merge three historically separate planning processes (generation, transmission, and distribution), while integrating competitive procurement into a comprehensive grid planning approach, that includes the retirement of fossil fuel plants. According to the PUC, through the IGP efforts, the PUC and the electric utilities will attain a more holistic understanding of each island's grid and the creation of a comprehensive grid plan and steps required to meet Hawaii's existing and future energy needs.
- **Degradation of daily electrical reliability for consumers.** Today, under certain circumstances, access to renewable energy resources can sometimes be limited, or unavailable. Prohibition of major generating unit overhauls and maintenance would further degrade the reliability of the aging generating fleet of electrical services for Hawaii's consumers.
- **Energy security and resiliency in times of emergencies, natural disasters, poor weather, or other unforeseen events.** While this bill does provide some flexibility to address energy resiliency by exempting emergency generators from the ban on using fossil fuels to generate or store electricity, LURF understands that its other prohibitions could have unintended negative consequences on maintaining the continued use of the conventional generation fleet, which currently assures Hawaii's energy security and resiliency in times of emergencies, natural disasters, poor weather, or other unforeseen events.
- **Cost-effective bridge for clean, green, and renewable gas technology advancements relating to biofuels, biogas, or hydrogen to help the State reach 100% renewable energy by 2045.** Clean, green, and renewable energy technology relating to renewable gas resources such as biofuels, biogas, and hydrogen will be advancing in the next 24 years. Prohibiting overhaul and maintenance of current facilities will limit the flexibility of the electric facilities to gradually convert to more renewable energy resources and alternative renewable energy fuels in the future. We need to keep the existing facilities open and operable, to be flexible enough to update those facilities to move to green, clean and renewable gas resources in the future.

- **The existing RPS statute already requires the electric utilities to substantially reduce and totally phase out the use of fossil fuels by 2045.** This measure is premature, because over the next 24 years, technology advancements will allow the State to reach its 2045 renewable energy goals more cost effectively.
- **Hawaiian Electric is already ahead of schedule in reducing fossil fuel usage.** This bill is also unnecessary, because through its recent energy initiatives and agreements, we understand that Hawaiian Electric will be able to significantly reduce fossil fuel usage in the next 2-4 years, reaching renewable energy percentages well ahead of the current RPS statute.
- **Public Utilities Commission (PUC) has also approved significant financial incentives to accelerate the phasing-out of the use of fossil fuels.** Finally, this bill may be premature, because LURF also understands that the PUC's recent performance-based regulation decision and order provides significant financial incentives for the electric utilities to accelerate the drawdown of fossil fuel use at a faster pace than the current RPS mandate.

For the reasons stated above, LURF is in opposition to HB 111, HD2, and respectfully urges that this measure be deferred and held in your EET committee.

**HAWAII OPERATING ENGINEERS
INDUSTRY STABILIZATION FUND**



*Uniting our strengths and working together
for a better tomorrow.*

Affiliated AFL-CIO
OPEIU - 3 - AFL-CIO (3)

LATE

Senate Committee on Energy, Economic Development, and Tourism

Honorable Glenn Wakai, Chair

Honorable Bennette E. Misalucha, Vice Chair

Honorable Members of the Committee on Energy, Economic Development, and Tourism

March 18, 2021

RE: H.B. 111 H.D. 2 PROHIBITS THE USE OF FOSSIL FUELS FOR ELECTRICITY GENERATION OR STORAGE AFTER 12/31/2045.

Dear Chair Wakai, Vice Chair Misalucha and Members of the Committee,

My name is Myles Miyasato and I am the Executive Director representing the Hawaii Operating Engineers Industry Stabilization Fund (HOEISF). We are a labor management fund representing 3000 unionized members in the heavy engineering site work and 500 general contractors specializing in heavy site and vertical construction. Hawaii Operating Engineers Industry Stabilization Fund **strongly opposes measure HB111 HD 2.**

While we support the intent of measure HB111 HD2, we have grave concerns with the current language of the bill as it does not take into consideration circumstances that are outside the electric utility's control as described in HRS §269-92(d), to ensure the resilience of the electric system such that the utility is able to supply power during emergency situations, and where fossil fuel generation may be the only type of generation that the utility has access to during these events.

As an organization that represents our signatory general contractors, who are called upon by the state and counties during emergency situations to do needed infrastructure repair work, we believe there is a compelling necessity to ensure that alternative utility power, via fossil fuels or any other alternative power source, is available to supply power to heavy equipment needed to ensure timely, efficient, and most of all safe execution of emergency repair work. We ask that this bill be deferred, or language be added to ensure alternative utility power language be added.

Sincerely,

Myles Miyasato

Executive Director

Hawaii Operating Engineers

Industry Stabilization Fund

LATE



Environmental Caucus of The Democratic Party of Hawai'i

Friday, March 19, 2021, 3:30 pm

Senate Committee on **Energy, Economic Development, and Tourism and Technology**
House Bill 111– RELATING TO RENEWABLE ENERGY: Phasing out fossil fuel electricity generation

Testifying in Strong Support

Me ke Aloha Chair Glenn Wakai, Vice Chair Bennette Misalucha, and Committee Members:

The Environmental Caucus, through its Energy and Climate Action Committee, supports an aggressive transition from fossil fuels to renewables, and for this reason, strongly supports HB 111.

The purpose of this bill is to phase out the use of fossil fuels in generating electricity. The initial target date was 2045, a time when the climate emergency will be packing a far greater punch than it already has, when a hurricane might have rendered all this rather moot. The bill was amended once to move up the date to 2035, still a precariously troublesome date, but that has been abandoned.

We take special note of the conventional caution offered in testimony by our government agencies. We appreciate the difficulties in making a transition, but the time comes when the Titanic has to be turned. We do not advocate a hasty and irresponsible course, but rather what will look to people in the future as an extremely prudent course correction, with our government showing the kind of all-out action required to avert a calamity – such as defeat in World War II: most of us living today have no concept of the effort it required of every person in the country. While we cannot see the acceleration of climate change, we have witnessed the early events of mild change – events that are anything but mild.

The Caucus looks for leaders to give climate science the same serious respect it gives medical science in responding to the need for vaccines in a pandemic. We do not doubt that our leaders take climate change seriously, or are derelict in undertaking responsible efforts to combat it. We do have every reason, however, to doubt that they appreciate how precarious our situation is. We talk a good story about building resilience, but how many really understand how resilience will feel once Honolulu is flattened by a Category 4 hurricane? We certainly expect our leaders to respond with care and prudence, but the one thing we have not heard is the commitment to beat the odds, to pull out all the stops, to push the envelope, to pursue the good ahead of the perfect.

The latest UN/IPCC Synthesis Report was delivered February 26 – three short weeks ago – in preparation for the Paris Accord meetings in Glasgow coming this November. Please take note that we are on notice for needing to have our plans well underway to keep global emissions from raising the average temperature above 1.5°C (2.7°F) above pre-industrial levels by the end of this decade (2030), so far none of the goals set in 2010 have been met. While Paris pledged to reduce fossil fuel emissions by 45% of the 2010 level, only 1% reduction has been achieved.

We have to ask “What does prudence look like?” We are not in a conventional setting today in 2021. Why are we taking a conventional approach?

The bill admittedly presents a serious challenge, given the difficulty of changing from sunk investments into somewhat uncharted territory. However, Kauai is on its way to becoming 80% fossil –fuel free in a few years, thanks to forward thinking and aggressive action. Forward-thinking experts have confidence that the way forward simply requires a boldness in embracing the changes we know are ultimately necessary with the same energy as defeating a visible enemy. We are already into the climate change tipping points, accelerating unseen forces and producing a staggering level of extinctions, increasingly devastating and costly storms, droughts, wildfires, floods, and pandemics yet to come.

HB 111 takes a difficult but necessary step in forcing Hawaii to get serious about meeting its goals. The Environmental Caucus of the Democratic Party appreciates the difficulty of energy industries to meet these goals, but even more deeply appreciates the imperative to do so. We salute the authors of this legislation and the sponsors pursuing its passage for having the courage to accept a frightening situation head-on. But 2045 is too late.

Our wisest minds understand that intelligent and decisive action can still slow global warming, enable us to cope with a deteriorating standard of living and weather the worst of catastrophic effects. While it is too late to avoid worse cases, creative and innovative solutions can still prevent the worst. The Legislature is moving well on the mitigative and adaptive measures to boost local food production in the likely event of interrupted supply chains which provide Hawaii with most of everything we consume. Many of us feel it is incumbent upon those of us who accept reality to not forfeit the next generation's opportunities and flexibility to preserve themselves – we need to get started or get out of the way.

HB 111 initiates plans that must be fully deployed this decade of the 2020s if we are not to lose control of our fate. We are two years into this situation, and Hawaii is still generating approximately 93% of its total energy needs with fossil fuels. Even when discounting our responsibility for jet fuel that serves our primary economic base – by far the largest single portion of Hawaii's total fossil fuel consumption -- Hawaii is still dependent on fossil fuels for generating 85% of its electricity. (These figures thanks to the State Energy Office, from 2018)

The bill does not specify a date for the start of these prohibitions, but clearly there is a desperate need to accelerate the investments in renewable fuels, which are widely reported to generate more well-paying jobs than those displaced. While government bonds are a costly way to generate these investments, far inferior to the functioning of a State bank, Hawaii is lacking the more productive and cheaper alternative. With State revenues down, private funds will be critically needed to step up to the challenge of saving our future.

The Environmental Caucus, with some 5,000 members, stands in whole-hearted support of HB 111, and urges all parties to converge on any troublesome details with the mission to resolve them with all deliberate speed. Mahalo for the opportunity to address this issue.

/s/ Charley Ice and Edward Bohlen, Co-Chairs, Energy-Climate Action Committee, Environmental Caucus of the Democratic Party of Hawaii.