



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

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GOVERNOR

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Testimony of
SCOTT J. GLENN, Chief Energy Officer

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

Friday, February 5, 2021
3:00 PM
State Capitol, Conference Room #224

Comments in consideration of
SB 1353
RELATING TO THE HAWAII STATE ENERGY OFFICE.

Chair Wakai, Vice Chair Misalucha, and Members of the Committee, the Hawaii State Energy Office (HSEO) offers comments on SB 1353, which expands the duties of the Hawaii State Energy Office to include developing opportunities for economic development; and transfers certain duties relating to energy efficiency, renewable energy, energy resilience, and clean transportation related incentives, programs, and goals from the Chief Energy Officer to the Hawaii State Energy Office.

HSEO appreciates the intent behind expanding and clarifying its responsibilities. SB 1353 moves the duties assigned to the Chief Energy Officer in Hawaii Revised Statutes (HRS) §196-72 to the list of activities that HSEO shall undertake in HRS §196-71. In moving the language from one section to the other, the bill proposes numerous substantive and technical amendments to the activities that HSEO shall undertake. Changes involve inserting economic development as the primary reason for HSEO to undertake an activity; adding responsibilities for strategic planning, job creation and workforce development, and modeling; and removing activities such as advocating for the State's decarbonization goals before various entities; among other changes.

In 2019 under Act 122, the Legislature formally established HSEO as an attached agency within the Department of Business, Economic Development, and

Tourism, indicating its preference that the common purpose and related functions of HSEO be in support of economic development. The existing statute also directs the HSEO to focus its energy activities as a means for economic development through its purpose statement “to help achieve a resilient clean energy economy” (HRS §196-71). Achieving a decarbonized economy is essentially an energy matter as about 87% of Hawaii’s emissions are energy-related, based on the Department of Health’s 2019 Greenhouse Gas Inventory for 2016 emissions.

Expanding and clarifying HSEO’s responsibilities would require additional staffing and funding as HSEO continues to face shrinking resources -- four staff positions were eliminated in FY20, three positions were unfunded in FY21, and the Executive Biennium Budget includes additional reductions of three positions and reduced funding for contracts to carryout our current statutory work. Additionally, without an adequate expenditure ceiling for the Energy Security Special Fund (ESSF), HSEO is restricted from expending ESSF monies for activities to carry out its current mission and responsibilities. The Executive Biennium Budget proposes an expenditure ceiling for the ESSF to address immediate needs to carryout priority areas of HSEO’s mission as identified in our 2020 Annual Report: to continue the electric vehicle (EV) charging system rebate program created by Act 142, Session Laws of Hawaii 2019; to provide funds to leverage federal grant funding opportunities; to continue paying Special Fund Assessments; and to convert some of the General-funded positions to Special Funds to support staffing to carryout our mission.

Thank you for the opportunity to testify.



SanHi

GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: February 4, 2021

TO: Senator Glenn Wakai
Chair, Committee on Energy, Economic Development, and Tourism

FROM: Luis P. Salaveria

RE: S.B. 1353 RELATING TO THE HAWAII STATE ENERGY OFFICE
Hearing Date: Friday, February 5, 2021 at 3:00 p.m.
Conference Room 224

Dear Chair Wakai and Members of the Committee:

We submit this testimony regarding S.B. 1353 Relating to the Hawaii State Energy Office (HSEO) on behalf of Innergex Renewables USA, LLC (Innergex). Innergex is an independent renewable power producer which develops, acquires, owns and operates renewable energy utility scale facilities. As a global corporation, Innergex conducts operations in Canada, the United States, France, and Chile.

Innergex was awarded a power purchase agreements (PPA) through Hawaiian Electric Companies first and second round RFPs. Two PPA approvals by the Public Utilities Commission (PUC) are pending. Innergex continues to work with all necessary stakeholders and parties to ensure that projects are delivered on a timely basis and at the best possible price to the ratepayer.

Innergex **supports this measure**, which would clearly define the HSEO's role in meeting the State's ambitious goals to achieve 100% renewable energy.

Thank you very much for the opportunity to testify on this bill.



Testimony to the Committee on Energy, Economic Development, & Tourism

Tuesday, February 5, 2021

3:00 PM

VIA Video Conference

Conference Room 224, Hawaii State Capitol

SB 1353

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

Hawaii Clean Power Alliance (HCPA) **supports** SB 1353, which expands the duties of the Hawaii State Energy Office to include developing opportunities for economic development. Transfers certain duties relating to energy efficiency, renewable energy, energy resilience, and clean transportation related incentives, programs, and goals from the Chief Energy Officer to the Hawaii State Energy Office.

Hawaii Clean Power Alliance is a nonprofit alliance 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 renewable energy and carbon reduction goals.

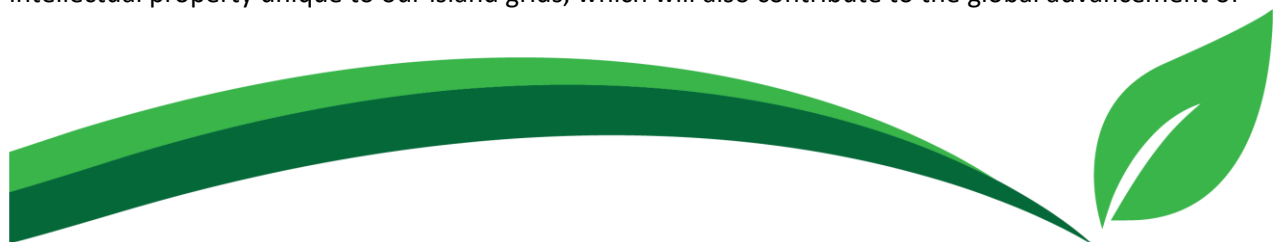
We offer these comments on the intent of SB1353.

It is vitally important in the achievement of clean, renewable energy by 2045, to develop utility-scale renewable projects. Yet the reality is that the development of these utility-scale projects is getting more difficult as the state moves to higher RPS requirements.

We are at the cusp of transitioning from the low hanging fruit to the more difficult and complex development of projects. We are now facing the need to balance the resources of intermittent technology with long lasting storage, the retirement or conversion of fossil fuel generators, and installation of other innovative technologies. There are conflicting policy goals or stakeholder views, such as use of land and natural resources,

While these next steps are clearly a step in the right direction towards the 2045 goals, they also present new challenges as well as opportunity. Utility-scale renewable energy offers the opportunity for significant economic development, not just in local long- and short-term jobs, but also in the ancillary industries that these projects support — including the local acquisition of materials, supplies, and the multiplier impact on the local economy.

As the pursuit of renewable energy moves ahead, so will the needs for more innovation, research, and intellectual property unique to our island grids, which will also contribute to the global advancement of



renewables. We also need to develop our pipeline of labor through the local education and career readiness system.

Renewable energy development in Hawaii is lengthy and complex, with many moving parts involving planning, permitting, stakeholder communications, and outreach within government channels and the community. Any assistance, facilitation, and advocacy by the HSEO to shorten, simplify, or expedite this process is welcome.

Independent power producers rely on transparent and timely decision making, consistency, and expediency to effectively stand up their projects and contribute to our renewable grid. When we can count on those factors, we can effectively drive down costs, ultimately resulting in sustained renewable energy development and lower rates for the ratepayer.

We ask the committee to pass this bill.

Thank you for the opportunity to testify.

Sincerely,

A handwritten signature in black ink, appearing to read "Fred Redell", written in a cursive style.

Frederick Redell, PE

Executive Director

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www.hawaiiicleanpoweralliance.org