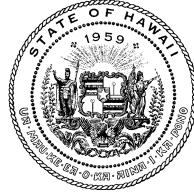


DAVID Y. IGE
GOVERNOR

JOSH GREEN M.D.
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

ISAAC W. CHOY
DIRECTOR OF TAXATION

To: The Honorable Nicole E. Lowen, Chair;
The Honorable Lisa Marten, Vice Chair;
and Members of the House Committee on Energy & Environmental Protection

The Honorable Mark J. Hashem, Chair;
The Honorable Amy A. Perruso, Vice Chair;
and Members of the House Committee on Agriculture

From: Isaac W. Choy, Director
Department of Taxation

Date: March 16, 2021

Time: 10:30 A.M.

Place: Via Videoconference, Hawaii State Capitol

Re: S.B. 493, S.D. 2, Relating to Agriculture

The Department of Taxation (Department) offers the following comments regarding S.B. 493, S.D. 2, for your consideration.

S.B. 493, S.D. 2, adds several new sections to chapter 196, Hawaii Revised Statutes (HRS), to establish a Hawaii Agriculture and Forest Carbon Positive Incentive Program. It also amends section 243-3.5, HRS, which governs the barrel tax, directing the Department to deposit an unspecified portion of the \$1.05 tax imposed on each barrel or fractional part of a barrel of petroleum product, except for aviation fuel, into a newly-created special fund for the Incentive Program. S.D. 2 has a defective effective date of July 1, 2050, with certain appropriations provision sections taking effect on July 1, 2051.

The Department notes that this measure would create a new barrel tax allocation to a newly-established fund, which would require the Department to test the new allocation's functioning in conjunction with the Department of Budget & Finance and the Department of Accounting & General Services. If a functional effective date is to be inserted, the Department respectfully requests that the effective date of Section 5 be made no earlier than January 1, 2022. This will allow sufficient time to ensure proper functioning of the new allocation.

Thank you for the opportunity to provide testimony on 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 COMMITTEES ON
ENERGY AND ENVIRONMENTAL PROTECTION
AND
AGRICULTURE**

**TUESDAY, MARCH 16, 2021
10:30 A.M.
VIA VIDEOCONFERENCE**

**SENATE BILL NO. 493, SD2
RELATING TO AGRICULTURE**

Chairpersons Lowen, Hashem and Members of the Committees:

Thank you for the opportunity to testify on Senate Bill No. 493 SD2 that seeks to establish a Hawaii Agriculture and Forest Carbon Positive Incentive Program that will keep forest and working lands intact and sequester additional carbon on those lands and to fund the Program with a portion of the revenues generated by the Environmental Response, Energy, and Food Security Tax. The Department of Agriculture ("Department") has strong concerns.

The Department acknowledges the broad intent and concepts expressed in this measure that is based upon voluntary participation by landowners and farmers. The measure assigns extensive and unfamiliar responsibilities to the Department and, perhaps, the Department of Land and Natural Resources that are enumerated from page 5, line 20 to page 7, line 16. The Department will need substantial assistance to develop compensation rates and carbon incentives contract terms, estimating sequestration rates for priority sequestration activities, develop the technical



underpinning of compensation rates for sequestration activities, and doing landowner outreach.

The Department notes that the proposed Program is voluntary for now and the Department is responsible for promoting the Program to qualified landowners/lessees. We recommend that this concept be vetted by landowners and farmers/ranchers to gauge demand as participation may require changes in cultivation practices or crop selection. Of particular interest would be their expectations of “fair compensation” for committing to a carbon incentives contract over a to-be-determined period.

Thank you for the opportunity to comment on this measure

SB493SD2_AGR_03-16-21_EEP-AGR,CPC,FIN DRAFT - AG AND FOREST CARBON POSITIVE PROGRAM

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 COMMITTEES ON
ENERGY AND ENVIRONMENTAL PROTECTION
AND
AGRICULTURE**

**TUESDAY, MARCH 16, 2021
10:30 A.M.
VIA VIDEOCONFERENCE**

**SENATE BILL NO. 493, SD2
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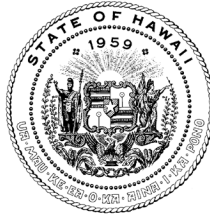
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Thank you for the opportunity to comment on this measure

SB493SD2_AGR_03-16-21_EEP-AGR,CPC,FIN DRAFT - AG AND FOREST CARBON POSITIVE PROGRAM

DAVID Y. IGE
GOVERNOR OF
HAWAII



SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
FIRST DEPUTY

M. KALEO MANUEL
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

Testimony of
SUZANNE D. CASE
Chairperson

Before the House Committees on
ENERGY & ENVIRONMENTAL PROTECTION
and
AGRICULTURE

Tuesday, March 16, 2021
10:30 AM

State Capitol, Via Videoconference, Conference Room 325

In consideration of
SENATE BILL 493, SENATE DRAFT 2
RELATING TO AGRICULTURE

Senate Bill 493, Senate Draft 2 proposes to establish a Hawaii agriculture and forest carbon-positive incentive program that will keep forests and working agricultural lands intact and sequester additional carbon on those lands, and will fund the program with a portion of the revenues generated by the Environmental Response, Energy, and Food Security Tax. The bill also proposes to require the Department of Agriculture and the Department of Land and Natural Resources (Department) to coordinate with the Hawaii Green Infrastructure Authority in developing the program. **The Department supports this bill.**

The State of Hawaii's commitment to uphold the Paris Climate Accord and progressive move towards a carbon neutral clean economy by 2045 requires that we actively invest in reducing our emissions and mitigate greenhouse gases (primarily carbon dioxide - CO₂). Agriculture, Forests and other Land Uses (AFLOU) are currently the State's only carbon sink. Investing in carbon positive actions such as restoring forests through tree planting, forest protection, and improved management, soil carbon sequestration, improved pasture management, and local organic plant food production are the most effective and efficient ways to mitigate our carbon footprint.

The Department recognizes that smaller land managers play a significant role in managing our natural and agricultural resources, but they often survive on small profit margins. The bill will provide an incentive to land managers to make climate-smart changes on their lands to reduce carbon emissions and increase carbon sequestration that meet food security and carbon neutral goals. We believe the bill will complement other assistance programs, and offer incentives not currently found in other programs, allowing lands across Hawaii's ecological and economic systems to participate.

Thank you for the opportunity to comment on this measure.



DAVID Y. IGE
GOVERNOR

GWEN S. YAMAMOTO LAU
EXECUTIVE DIRECTOR

HAWAII GREEN INFRASTRUCTURE AUTHORITY

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone: (808) 587-3868

Testimony of
Gwen Yamamoto Lau
Executive Director
before the
HOUSE COMMITTEES ON ENERGY & ENVIRONMENTAL PROTECTION and
AGRICULTURE

Tuesday, March 16, 2021
10:30 A.M.
Conference Room 325 & Videoconference

in consideration of
SENATE BILL NO. 493, SD2
RELATING TO AGRICULTURE

Chairs Lowen and Hashem, Vice Chairs Marten and Perruso, and Members of the Committees on Energy & Environmental Protection and Agriculture:

Thank you for the opportunity to testify and provide comments on Senate Bill 493, SD2, relating to agriculture. This bill proposes to establish a Hawaii agriculture and forest carbon positive incentive program, to be administered by the Hawaii Green Infrastructure Authority, in collaboration with the department of agriculture, department of land and natural resources and the Office of Planning. The Hawaii Green Infrastructure Authority (HGIA) **supports** this bill.

Through its work financing clean energy infrastructure, HGIA has been actively contributing to the State's efforts in addressing the problem of climate change. The carbon positive incentive program will enable small farmers and ranchers to reduce its contribution to climate change while increasing local food production.

HGIA defers to the department of agriculture, department of land and natural resources and the Office of Planning regarding their respective sections of the bill.

Thank you for this opportunity to testify and provide comments in support of SB 493, SD2.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

ROBERT YU
DEPUTY DIRECTOR

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

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

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

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEES ON ENERGY & ENVIRONMENTAL PROTECTION
AND AGRICULTURE
ON
SENATE BILL NO. 493, S.D. 2

March 16, 2021
10:30 a.m.
Room 325

RELATING TO AGRICULTURE

The Department of Budget and Finance (B&F) offers comments on Senate Bill (S.B.) No. 493, S.D. 2.

S.B. No. 493, S.D. 2, establishes the Hawai'i Agriculture and Forest Carbon Positive Incentive Program (HAFCEIP); establishes the HAFCEIP Special Fund; appropriates an unspecified amount of general funds for FY 22 and FY 23 to be deposited into the HAFCEIP Special Fund and appropriates an unspecified amount of special funds from the HAFCEIP for FY 22 and FY 23 for HAFCEIP expenditures, which include the establishment of a 1.00 full-time equivalent Program Manager position; and allocates an unspecified amount from the Environmental, Response, Energy, and Food Security "Barrel" Tax to fund the HAFCEIP Special Fund.

The measure provides for the HAFCEIP to be administered by the Hawai'i Green Infrastructure Authority with assistance from the Department of Agriculture and the Department of Land and Natural Resources. The purpose of the fund and program shall be used to keep forests and working agriculture lands intact and sequester

additional carbon on those lands by providing owners and lessees of eligible land financial incentive payments for eligible practices over a designated period, with appropriate crediting for carbon benefits as specified through a carbon incentives contract.

B&F is concerned that establishing an incentive program as described in this measure will result in the lowering of tax revenue and impact the State's share of direct federal aid from the American Rescue Plan Act of 2021 (ARPA). Provisions of the ARPA specially state:

“A state or territory shall not use the funds provided under this section or transferred pursuant to section 603(c)(4) to either directly or indirectly offset a reduction in the net tax revenue of such state or territory resulting from a change in law, regulation, or administrative interpretation during the covered period that reduces any tax (by providing for a reduction in a rate, a rebate, a deduction, a credit, or otherwise) or delays the imposition of any tax or tax increase.”

B&F notes that if the program described in S.B. No. 493, S.D. 2, is interpreted to be in violation of the above provision, it will result in reduced ARPA funding. Hawaii's estimated allocation of ARPA funds is in excess of \$1.6 billion and is critical to mitigating the negative financial impacts the COVID-19 pandemic has had on the State budget.

Finally, as a matter of general policy, B&F does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and

the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding S.B. No. 493, S.D. 2, it is difficult to determine whether the proposed special fund would be self-sustaining.

Thank you for your consideration of our comments.



OFFICE OF PLANNING STATE OF HAWAII

235 South Beretania Street, 6th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone: (808) 587-2846
Fax: (808) 587-2824
Web: <http://planning.hawaii.gov/>

DAVID Y. IGE
GOVERNOR

MARY ALICE EVANS
DIRECTOR
OFFICE OF PLANNING

Statement of
MARY ALICE EVANS
Director, Office of Planning
before the
**HOUSE COMMITTEES ON ENERGY AND ENVIRONMENTAL PROTECTION
AND AGRICULTURE**
Tuesday, March 16, 2021
10:30 AM
State Capitol
in consideration of
SB 493, SD 2
RELATING TO AGRICULTURE.

Chairs Lowen and Hashem, Vice Chairs Marten and Perruso, and Members of the Joint House Committees:

The Office of Planning **supports with comments** SB 493, SD 2. The purpose of SB 493, SD 2 establishes the Hawai'i agriculture and forest carbon positive incentive program within the Hawai'i Green Infrastructure Authority, appropriates funds from the Environmental Response, Energy, and Food Security Tax ("barrel tax") to administer and staff the program, and requires the State's Greenhouse Gas Sequestration Task Force to identify and prioritize carbon positive activities eligible for the Hawai'i agriculture and forest carbon positive program.

The Office of Planning finds this initiative and proposed program to have similar intentions to the existing Greenhouse Gas Sequestration Task Force, attached to the Office of Planning.

The Office of Planning serves as a centralized state agency with Legislatively mandated roles in climate change, sustainability, and land use issues through:

- Co-Chairing the Hawai'i Climate Change Mitigation and Adaptation Commission;
- Chairing the Greenhouse Gas Sequestration Task Force;
- Serving on the Natural Area Reserves System Commission;
- Administering statewide land use planning and coordination;
- Administering statewide sustainability planning and coordination; and
- Administering statewide climate adaptation planning and coordination;

Therefore, the Office of Planning recommends **friendly amendments** to add the Office of Planning to page 5, lines 4 and 5, page 6, lines 1, 11, and 12, and page 7, line 2.

By adding the Office of Planning to these sections of the proposed program, OP can more effectively provide the proposed program with information received from the Greenhouse Gas Sequestration Task Force on carbon positive activities that would be eligible for the Hawaii Agriculture and Forest Carbon Positive incentive program.

Mahalo for the opportunity to submit testimony on SB 493, SD 2.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: FUEL, Barrel Tax earmark for Hawaii Agriculture and Forest Carbon Positive Incentive Program

BILL NUMBER: SB 493, SD2

INTRODUCED BY: Senate Committee on Ways and Means

EXECUTIVE SUMMARY: Establishes the Hawaii agriculture and forest carbon positive incentive program, and funds it with an earmark on the barrel tax.

SYNOPSIS: Adds a new part to chapter 196, HRS, to establish the Hawaii agriculture and forest carbon positive incentive program. The idea of the program is for the administering authority, here the Hawaii Green Infrastructure Authority, to “incentivize carbon sequestration activities through carbon incentives contracts that provide for compensation for eligible activities by program participants.” In other words, it would pay people to undertake activities that are good for the environment.

Amends section 243-3.5, HRS, to add an earmark to the environmental response, energy, and food security tax (also known as the “barrel tax”) to fund the program.

Makes other conforming amendments.

EFFECTIVE DATE: 7/1/2050.

STAFF COMMENTS: The proposed measure would perpetuate the earmarking of barrel tax revenues. Carbon sequestration activities may provide some benefit to the State. But does that justify grabbing a pot of barrel tax money without going through the normal budgeting process that also considers sweltering primary schools, underfunded state pensions, or disaster relief for rain-flooded or lava-burnt counties as well as the economic decimation wrought by COVID-19?

Rather than the continual earmarking of revenues, a direct appropriation of general funds would be preferable. Earmarking revenues from any tax type for a particular purpose decreases transparency and accountability.

We also question whether the Hawaii Green Infrastructure Authority (HGIA) is the appropriate agency to administer this program. It may be a better fit for the state Energy Office or the Department of Agriculture.

Next, it should be remembered that revenues diverted for a special purpose, in this case to fund an environmental incentive program, will not be counted against the state’s spending ceiling or debt limit and will obscure the state’s true financial condition.

Finally, we note that the State Auditor’s Report No. 21-04 analyzed the proposed Hawai‘i Agriculture and Forest Carbon Positive Incentive Program Special Fund in this bill and found

that the fund did not meet the criteria set forth in section 23-11, HRS, for special and revolving funds. The Auditor concluded that there was insufficient information to demonstrate that a special fund was needed to support the proposed program and there was no explanation as to why the program could not be successfully implemented through the general fund appropriation process. We thus request that the Committee consider deleting the special fund.

Digested 3/12/2021



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

COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Rep. Nicole E. Lowen, Chair

Rep. Lisa Marten, Vice Chair

COMMITTEE ON AGRICULTURE

Rep. Mark J. Hashem, Chair

Rep. Amy A. Perruso, Vice Chair

DATE: Tuesday, March 16, 2021

TIME: 10:30 am

SB 493, SD2 RELATING TO AGRICULTURE

CATIONARY SUPPORT

Aloha Chair Lowen, Vice Chair Marten, 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.

SB 493, SD2 establishes the Hawaii agriculture and forest carbon positive incentive program.

Life of the Land has long supported the concept behind SB 493 but wishes to express extreme concern about the bill.

It is critically important that Hawai`i increase its food supply, support a variety of farm sizes to produce a diversified crop, and to expand food processing facilities. This must be done sustainably.

In the soil-atmosphere-vegetation carbon cycle, most of the carbon is found in the soil, and thus soil science and practice must be fully integrated into climate solutions.

Gaming carbon reduction measures is a major problem. Transparency and public accountability are required. The bill asserts that government and industry would use governmental revenue to compensate farmers where verifiable, third-party “certification is cost prohibitive.”

The bill contains no reference to rules, public hearings, or public input. The public appears to be removed from the equation.

The Legislative history on the intersection of agriculture and climate change is murky at best.

The 2001 Legislature passed Act 272 (HB 173 CD1), the initial Renewable Portfolio Standard (RPS) bill.

"Renewable energy" means electrical energy produced by wind, solar energy, hydropower, landfill gas, waste to energy, geothermal resources, ocean thermal energy conversion, wave energy, biomass including municipal solid waste, biofuels or fuels derived entirely from organic sources, hydrogen fuels derived entirely from renewable energy, or fuel cells where the fuel is derived entirely from renewable sources.¹

¹ https://www.capitol.hawaii.gov/session2001/bills/HB173_cd1_.htm

The 2004 Legislature passed Act 95 (SB 2474 HD2) allowing biofuels to count as partially renewable when there were fossil fuel inputs.

“Where biofuels, hydrogen, or fuel cell fuels are produced by a combination of renewable and nonrenewable means, the proportion attributable to the renewable means shall be credited as renewable energy.”²

The 2006 Legislature became infatuated with the idea that Hawai`i would produce so much ethanol that we could export the surplus. The Legislature passed Act 162 (SB 3185 SD3 HD2 CD1). The new law changed the 2001 law. Biofuels made largely from fossil fuels or by leveling out-of-state tropical forests are now considered 100% renewable energy.

“Biofuels” means liquid or gaseous fuels produced from organic sources such as biomass crops, agricultural residues and oil crops, such as palm oil, canola oil, soybean oil, waste cooking oil, grease, and food wastes, animal residues and wastes, and sewage and landfill wastes.³

The 2017 Legislature passed a bill to promote carbon sequestration. Act 33 (HB 1578 HD1 SD2 CD1), signed into law on June 6, 2017, recognized that agricultural land management practices can increase the ability of soils to hold carbon, increase soil organic matter, improve soil structure and water- and nutrient-holding capacity, decrease siltation of the reefs, and enhance agricultural productivity. A win-win-win-win solution.

² https://www.capitol.hawaii.gov/session2004/bills/SB2474_hd2_.htm

³ https://www.capitol.hawaii.gov/session2006/bills/SB3185_cd1_.htm

It all starts with appreciating the value of healthy soils. The carbon farming task force would promote carbon-negative agricultural practices, identify agroforestry practices that can be used to enhance carbon sequestration in Hawaii; and *“make recommendations to the legislature and governor on measures that would increase climate resiliency, build healthy soils, or provide greenhouse gas benefits.”*⁴

The task force consisted of state and county officials and three scientists from the University of Hawaii at Manoa. The Commission was chaired by the Office of Planning.

The 2018 Legislature restructured the program. Act 15 (HB 2182 HD2 SD2 CD1) gutted and replaced Act 33 on June 4, 2018.

Act 15 eliminated the carbon farming task force, created *“a new task force named as the greenhouse gas sequestration task force which has similar aims as the carbon farming task force created by Act 33, but expands and makes it permanent”* (at least for one year), and linked the sequestration task force with the state climate commission.

The new task force remained under the control of the Office of Planning. The sequestration task force was handed a new job which would have been useful for the 2019 Hawai`i heatwave: *“requiring that the task force examine opportunities to exploit carbon sequestering trees and vegetation to reduce urban temperatures and thereby protect public health.”*⁵

⁴ https://www.capitol.hawaii.gov/session2017/bills/HB1578_CD1_.htm

⁵ https://www.capitol.hawaii.gov/session2018/bills/HB2182_CD1_.htm

The 2019 Legislature defunded the sequestration effort and shifted the focus to the Hawai'i Climate Change Mitigation & Adaptation Commission.

The 2021 Legislature is proposing SB 493, SD2. As drafted, the bill would allow an agricultural company to decrease greenhouse gas emissions on one parcel, while increasing greenhouse gas emissions on another parcel, resulting in no net change re carbon emissions, and yet receive a governmental handout.

This concern is real. Hawaiian Electric signed a contract with Imperium Renewables to import palm oil biodiesel from Malaysia and Borneo in 2007. Life of the Land was the sole intervenor in the Public Utilities Commission docket no. 2007-0346 (one of ten PUC bioenergy proceedings that we intervened on). HECO proposed that the palm oil come from parcels where the landowner was working towards “no child labor” and working towards “Free, Prior and Informed Consent” of native people, regardless of what destructive things that the landowners were doing on other parcels that they managed. The Commission denied the application.

The Climate Crisis is too serious to trust that the right thing will happen. It requires vigilance, monitoring, and verification. But the required and necessary public involvement component isn't in the bill.

Mahalo

Henry Curtis

Executive Director

SB-493-SD-2

Submitted on: 3/14/2021 11:20:53 PM

Testimony for EEP on 3/16/2021 10:30:00 AM

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

Comments:

To: The Honorable Nicole Lowen, Chair,

The Honorable Lisa Marten, Vice Chair, and Members of the

House Committee on Energy and Environmental Protection, and

The Honorable Mark Hashem, Chair,

The Honorable Amy Perruso, Vice Chair, and Members of the

House Committee on Agriculture

From: Climate Protectors Hawaii (by Ted Bohlen)

Re: Hearing **SB493 SD2- RELATING TO AGRICULTURE.**

Tuesday March 16, 2021, 10:30 a.m., by videoconference

Aloha Chair Lowen, Vice Chair Marten, and Energy and Environmental Protection Committee members, and Chair Hashem, Vice Chair Perruso, and members of the House Agriculture Committee:

The Climate Protectors Hawaii is a group focused on reversing the climate crisis. **The Climate Protectors STRONGLY SUPPORT SB493 SD2!** 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.

In striving to become carbon negative, it will not be enough to limit greenhouse gas emissions; we must also draw carbon down from the atmosphere. Substantial sequestration of carbon is needed as well as major greenhouse gas emission controls. The purpose of this Act is to establish a Hawaii agriculture and forest carbon positive incentive program that will keep forests and working agriculture lands intact and

sequester additional carbon on those lands, and to fund the program with a portion of the revenues generated by the environmental response, energy, and food security tax. This bill would encourage the sequestration of atmospheric carbon gases by facilitating contracts with landowners and farmers engaging in regenerative agriculture and sustainable forest practices.

This bill would be a significant step toward reducing atmospheric carbon that is causing the climate crisis.

The Climate Protectors Coalition urges you to pass this important bill! Mahalo!

Climate Protectors Coalition (by Ted Bohlen)



Environmental Caucus of The Democratic Party of Hawai'i

Tuesday, March 16, 2021, 10:30 am

House Committees on Energy and Environmental Protection and Agriculture

SENATE BILL 493 – RELATING TO AGRICULTURE: Carbon Positive Incentive Program/Green Infrastructure Authority

Position: Strong Support

Me ke Aloha, Chairs Nicole Lowen and Mark Hashem, Vice-Chairs Lisa Marten and Amy Perruso, and Members of the Committees on Energy and Environmental Protection and on Agriculture:

The Environmental Caucus of the Democratic Party, through its Committee on Energy and Climate Action, are in strong support of SB493, establishing a Hawaii Agriculture and Forest Carbon Positive Incentive Program as part of the larger state initiative toward a regenerative economy. The bill identifies activities qualifying for the incentive program, establishes a special fund from the barrel tax, identifies administrative priorities of the authority, and enlists the assistance of the departments of agriculture and land and natural resources. This well thought-out program functions both to incentivize regenerative land stewardship and to disincentivize continuing use of fossil fuels through an increase in the barrel tax. Moreover, it reaches beyond large landowners to encourage small landowner participation, broadening the democratic nature of its applicability and its sense of aloha 'āina.

Hawaii urgently needs to move forward on these activities:

1. regenerative annual cropping system to include at least four of these practices: compost application; applying cover crops; crop rotation; green manure; no-till or reduced tillage; and “organic” production;
2. improved pasturage;
3. agroforestry;
4. reforestation;
5. protection of forests and shrublands from disturbance; and
6. rotational grazing and improved forage.

The Environmental Caucus recommends that the barrel tax contribution to be deposited in the special fund be set at least 5 cents per barrel, to provide adequate funding, and potentially to consider amending the bill to provide basic administrative funding through this special fund in this period of pandemic-depressed State revenues. The Caucus also strongly encourages support of the Greenhouse Gas Sequestration Task Force, as a highly effective network of ideas, information, and program feedback.

Thank you for the opportunity to address this innovative program.

Co-Chairs Charley ice and Edward Bohlen, Energy and Climate Action Committee of the Environmental Caucus of the Democratic Party.



Hawaii Cattlemen's Council, Inc.

COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Rep. Nicole E. Lowen, Chair

Rep. Lisa Marten, Vice Chair

COMMITTEE ON AGRICULTURE

Rep. Mark J. Hashem, Chair

Rep. Amy A. Perruso, Vice Chair

SB493 SD2

RELATING TO AGRICULTURE

Tuesday, March 16, 2021, 10:30 am

Via Videoconference

Chairs Lowen and Hashem, Vice Chairs Marten and Perruso, and Members of the Committees

The Hawaii Cattlemen's Council **supports the intent of SB493 SD2** to establish the Hawaii agriculture and forest carbon positive incentive program. Ranchers have been engaging in regenerative practices and improving methods of raising livestock and we appreciate that this measure recognizes that agriculture can be a solution to climate change. Well-managed rangelands contribute to ecosystem services such as carbon sequestration, invasive species removal, water quality, watershed management, and wildfire mitigation as part of a sound business strategy to sustain operation into the future. Ranchers are already doing these practices, and work to continually find best practices as research sheds light on the positive impacts of well-managed rangelands. We support the intent of creating a program in incentivize these practices.

The Hawaii Cattlemen's Council is proud to be part of the Greenhouse Gas Sequestration Task Force, which has been addressing some of these opportunities and allows ranchers to be part of the conservation.

Thank you for the opportunity to testify on this measure.

Nicole Galase
Hawaii Cattlemen's Council
Managing Director

SB-493-SD-2

Submitted on: 3/12/2021 4:04:10 PM

Testimony for EEP on 3/16/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Gerard Silva	Individual	Oppose	No

Comments:

More BULL SHIT!!

SB-493-SD-2

Submitted on: 3/13/2021 11:09:00 AM

Testimony for EEP on 3/16/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Fern Anuenue Holland	Individual	Support	No

Comments:

Aloha Representatives. My ohana and I are in strong support of SB493. Mahalo! Fern
Ä€ Holland

SB-493-SD-2

Submitted on: 3/13/2021 2:15:54 PM

Testimony for EEP on 3/16/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dana Keawe	Individual	Support	No

Comments:

I support sb493 sd2

SB-493-SD-2

Submitted on: 3/13/2021 4:38:58 PM

Testimony for EEP on 3/16/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ruta Jordans	Individual	Support	No

Comments:

However you are able to actualize this bill, whether with a barrel tax or through the general fund, please make it happen! The more we can do to sequester carbon, and the sooner we can do it, the better.

SB-493-SD-2

Submitted on: 3/15/2021 3:24:26 PM

Testimony for EEP on 3/16/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Hannah Hubanks	Individual	Support	No

Comments:

I strongly support this initiative and feel it's vital to prepare Hawaii for long term natural resource sustainability.

SB-493-SD-2

Submitted on: 3/16/2021 1:06:24 AM

Testimony for EEP on 3/16/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jennifer Azuma Chrupalyk	Individual	Support	No

Comments:

I hereby support this bill in its entirety.

SB-493-SD-2

Submitted on: 3/16/2021 2:50:20 AM

Testimony for EEP on 3/16/2021 10:30:00 AM

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

Comments:

Dear EEP and AGR Committee Chairs, Vice Chairs and Members,

I am in strong support of SB493 SD2 that will incentivise carbon sequestration on Hawaii's ag and forest lands.

Many farmers and foresters are beginning to see the value of healthy soil and healthy plants in our environment. Producing healthy soil through composting, use of cover crops, no-till and organic practices not only makes for healthier crops, this rich soil holds carbon better than worn-out soil. Healthy trees also take in more CO2 than their weaker counterparts. This is all good news for our ailing planet and the climate.

We need to encourage these carbon-sequestering practices, especially on larger farms. The incentives might well bring new farmers and foresters into our work force.

Please support this important bill.

Thank you for listening and for the opportunity to testify.

Jan Pappas - Aiea, Hawaii