



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

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Testimony of
SCOTT J. GLENN, Chief Energy Officer

before the
SENATE COMMITTEE ON WAYS AND MEANS

Tuesday, February 16, 2021
10:00 AM
State Capitol, Conference Room #211 & Videoconference

Comments in consideration of
SB 1353
RELATING TO THE HAWAII STATE ENERGY OFFICE.
(Written Testimony Only)

Chair Dela Cruz, Vice Chair Keith-Agaran, 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 carry out 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 carry out our mission.

Thank you for the opportunity to testify.



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Testimony to the Committee on Ways & Means

Tuesday, February 16, 2021

10:00 AM

VIA Video Conference

Conference Room 211, Hawaii State Capitol

SB 1353

Chair Dela Cruz, Vice Chair Keith-Agaran, 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.

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

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.

Hawaii is at the cusp of exhausting the low hanging fruit of renewable projects and transitioning to the more difficult and complex development of projects. 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 will require coordination of resources. There are conflicting policy goals or stakeholder views, such as use of land and natural resources.

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 agriculture, the local acquisition of materials, supplies, and the multiplier impact on the local



economy. It also offers the ability to provide renewable energy at very affordable rates to the consumer that might otherwise never be able to afford their own renewable generation.

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.

Independent power producers rely on transparent and timely decision making, consistency, and expediency to effectively stand up their projects and contribute to our renewable goals. 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 support the clarity that this bill provides.

We ask the committee to pass this bill.

Thank you for the opportunity to testify.

Sincerely,



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