



## DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of  
**MIKE MCCARTNEY**  
Director

Department of Business, Economic Development, and Tourism  
before the

**SENATE COMMITTEES ON WAYS AND MEANS**

Tuesday, February 22, 2022

10:00 AM

State Capitol, Conference Room 211 & Videoconference

In consideration of

**SB3314, SD1**

**RELATING TO THE HAWAII STATE ENERGY OFFICE.**

Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee.

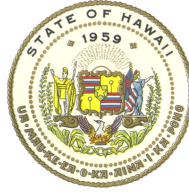
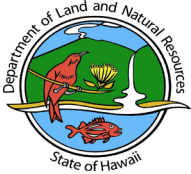
The Department of Business, Economic Development and Tourism (DBEDT) offers comments on SB3314, SD1, which transfers the Hawaii State Energy Office (HSEO) from DBEDT to the Department of Land and Natural Resources (DLNR).

The HSEO's mission is to promote energy efficiency, renewable energy, and clean transportation to help achieve a resilient clean energy economy. Not only does the HSEO collaborate with stakeholders and the broader community to educate and solicit feedback about Hawaii's clean energy goals, but they also help stimulate economic growth by elevating job growth prospects, and business opportunities in an innovative economy.

DBEDT's approach to economic development consists of a balance between economic growth and the well-being of Hawaii's people, culture, and environment. The divisions and attached agencies of DBEDT work together in a team approach. Thus, the HSEO works closely together with the Office of Planning and Sustainable Development, Hawaii Green Infrastructure Authority, the Natural Energy Laboratory of Hawaii Authority, Land Use Commission, Hawaii Community Development Authority, and the Hawaii Technology Development Corporation on various energy projects.

Therefore, DBEDT believes that at the present time the Hawaii State Energy Office should remain within DBEDT. Thank you for the opportunity to testify.

DAVID Y. IGE  
GOVERNOR OF HAWAII



**STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES**

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HONOLULU, HAWAII 96809

**Testimony of  
SUZANNE CASE  
Chairperson**

**Before the Senate Committee on  
WAYS AND MEANS**

**Tuesday, February 22, 2022  
10:00 AM**

**State Capitol, Conference Room 224, Via Videoconference**

**In consideration of  
SENATE BILL 3314, SENATE DRAFT 1  
RELATING TO THE HAWAII STATE ENERGY OFFICE**

Senate Bill 3314, Senate Draft 1 proposes to transfer the State Energy Office (Office) to the Department of Land and Natural Resources without any preamble discussing the move. **The Department of Land and Natural Resources (Department) offers the following comments on this bill.**

The Department already has a very broad mandate with jurisdiction from the mountain tops to three miles out to sea. Our mission is to “Enhance, protect, conserve and manage Hawaii’s unique and limited natural, cultural and historic resources held in public trust for current and future generations of the people of Hawaii nei, and its visitors, in partnership with others from the public and private sectors.” The mission of the Office, on the other hand, is to promote energy efficiency, renewable energy, and clean transportation to help achieve a resilient, clean energy, decarbonized economy. While there is some overlap, due to the commercial and entrepreneurial focus of the Office as compared to the natural resources and preservation focus of the Department, we feel that the Office fits better at their current location, the Department of Business, Economic Development, and Tourism (DBEDT).

The Department has neither space nor personnel to accommodate an additional Office and its staff. The State Historic Preservation Division (SHPD) of the Department is already located in Kapolei because of space limitations at Kalanimoku. If the Office moves, it is unclear where it would move to, or how the move would be funded. The Department suggests amending the bill to pay for moving costs and any rent that might be necessary in a new location.

It is not clear how much support staff would be included in the transfer. The Department has a very small administrative staff that provides fiscal, human resources and information technology

**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

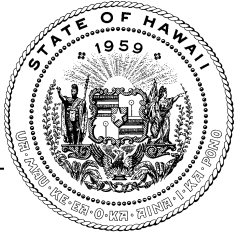
AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE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

support to the Department. If the Office is not bringing its own staff to support it in these areas, the Department will need additional personnel to effectively support the new office. The Department recommends amending the bill to address and fund any support staff that may be needed to accommodate the Office, both for the move, and for its regular business once it has moved.

We note the bill makes the State Energy Office an attached agency of the Department. The Department has two attached agencies, the Aha Moku Advisory Council and the Kaho'olawe Island Reserve Commission. Both have missions focused on natural resource protection. As mentioned above, the Department believes the Office's mission is better aligned with DBEDT. The Department suggests that it would be less disruptive to leave the State Energy Office at DBEDT.

There have been no conversations between the Department and DBEDT about a proposed transfer of the Hawaii State Energy Office. The Bill should be amended to allow time to 1) evaluate whether this transfer is good for either Department and the Office, 2) allow for transition planning and time for a transition, and 3) provide funding for transition planning including assessing how many additional personnel the Department would need to accommodate the Office. As mentioned above, the bill should also include a budget to accommodate both planning and additional staff. Finally, a preamble should address the reasons for this change and how the integration of the Office into the Department is envisioned.

Thank you for this opportunity to comment on this measure.



# 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 22, 2022  
10:00 AM  
State Capitol, Conference Room 211 & Videoconference.

**OPPOSE  
SB 3314 SD1  
RELATING TO THE HAWAII STATE ENERGY OFFICE.**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee, the Hawai'i State Energy Office (HSEO) respectfully opposes SB 3314 SD1, which transfers HSEO from the Department of Business, Economic Development, and Tourism (DBEDT) to the Department of Land and Natural Resources (DLNR).

In 2019, the Legislature established the HSEO as an administratively attached agency to DBEDT with the passage and signing into law of Act 122, which codified HSEO's mission in Section 196-71(a), Hawaii Revised Statutes, "to promote energy efficiency, renewable energy, and clean transportation to help achieve a resilient clean energy economy."

The HSEO works closely with DBEDT, DLNR, and other state, county, and federal agencies to achieve its statutory mission. DBEDT's mission focuses on economic development and innovation sector job growth whereas DLNR's mission is focused on enhancing, protecting, conserving, and managing Hawaii's unique and limited natural, cultural, and historic resources. HSEO believes its mission aligns more closely with DBEDT and its similarly attached agencies and that it can continue to work constructively with the DLNR as needed.

Among DBEDT and its attached agencies include the Office of Planning and Sustainable Development, Hawaii Green Infrastructure Authority, Natural Energy

Laboratory of Hawaii Authority, Land Use Commission, Hawaii Community Development Authority, and Hawaii Technology Development Corporation on energy-related economic development projects. Recent collaboration activities have focused on supporting the economic recovery from the impacts of the COVID-19 pandemic while facilitating the State's transition to clean energy, and preparing for the formula and competitive grants under the federal Infrastructure Investment and Jobs Act (IIJA).

HSEO also works closely with DLNR and the Hawaii Climate Change Mitigation and Adaptation Commission on energy-related climate change mitigation policies and programs to decarbonize Hawaii's economy.

While a case could be made for consolidating or reorganizing agencies to achieve better policy outcomes, in this case the only outcome would be to move HSEO to DLNR for administrative matters, requiring a diversion of resources and time, and potential expense, especially for the administrative aspects that would also involve the Department of Human Resources Development, the Department of Accounting and General Services, and the Department of Budget and Finance. This would reduce HSEO's ability to pursue and coordinate competitive grants under the IIJA just as funds become available.

Thank you for the opportunity to testify.