

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
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FORESTRY AND WILDLIFE
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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 Committee on
ENERGY & ENVIRONMENTAL PROTECTION

Tuesday, March 15, 2022
9:00 AM

State Capitol, Conference Room 325, Via Videoconference

In consideration of
SENATE BILL 3325, SENATE DRAFT 2
RELATING TO CARBON SEQUESTRATION INCENTIVES

Senate Bill 3325, Senate Draft 2 proposes to establish the Hawaii Farmland and Forest Soil Health Carbon Smart Incentive Program (Program) to incentivize carbon sequestration activities through compensation for eligible practices and appropriate funds for positions and for administering the Program. The bill also proposes to require the Department of Land and Natural Resources (Department) to: 1) Identify and prioritize selected soil health and carbon positive activities; 2) Recommend compensation rates and contract terms for eligible phase I activities; 3) Assist in estimating sequestration rates for carbon positive practices; 4) Serve on the reviewing committee for project applications and reports; 5) Research and develop the technical underpinning of compensation rates for phase II eligible practices; and 6) Conduct community and landowner outreach activities. **The Department supports this bill and offers comments.**

The State of Hawaii's commitment to uphold the Paris Climate Accord and progressive move towards zero emissions 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 afforestation, reforestation, soil carbon sequestration, or local organic plant food production is one of the most effective ways to start mitigating our carbon footprint.

The Department recognizes that small land managers play a significant role in managing natural and working lands but often operate on small profit margins. Providing incentives to land managers will allow them to make changes on their lands to increase carbon sequestration and improve healthy soils to help the state meet food security and carbon emission goals. Additional funding for the State's watershed partnership program that provides landscape-level, cross-

boundary forest protection and restoration is also essential to significantly accelerate carbon sequestration rates.

The Department proposes the measure revert to its original form with the Hawaii Green Infrastructure Authority (HGIA) as the implementing agency. HGIA has the financial expertise to get funding to land managers quickly. In the original version of the bill, HGIA is required to coordinate with relevant agencies to provide subject matter support. The Department recognizes the importance of getting this program up and running as quickly as possible and suggests HGIA as the implementing entity is the best way to do that.

Thank you for the opportunity to comment on this measure.

SB-3325-SD-2

Submitted on: 3/13/2022 10:59:49 PM

Testimony for EEP on 3/15/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Leah Laramee	DLNR	Support	Remotely Via Zoom

Comments:

I am available for questions to DLNR. Please allow me Zoom access.

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
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**TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL
PROTECTION**

**TUESDAY, MARCH 15, 2022
9:00 A.M.
VIA VIDEOCONFERENCE**

**SENATE BILL NO. 3325, SD2
RELATING TO CARBON SEQUESTRATION INCENTIVES**

Chairperson Lowen and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 3325, SD2 that establishes within the Office of State Planning and Sustainable Development, the Hawaii Farmland and Forest Soil Health Carbon Smart Incentive Program to incentivize carbon sequestration activities through incentives contracts that provide for compensation for eligible practices by program participants. The Department of Agriculture offers comments.

The Department of Agriculture acknowledges that agricultural lands and agricultural operations may have a role in sequestering carbon. The program outlined in this measure is meant to achieve additional sequestration by what appears to be voluntary participation of landowners and lessees of agricultural land to undertake certain practices in exchange for compensation that is based on the amount of carbon sequestered. Participation by landowners, lessees, and particularly agricultural operators will require unambiguous evidence that such participation makes economic sense.



The bill also appropriates funds to the Department for one permanent position to support program actions on State lands and provide technical and research assistance to the program.

(page 12, line 16 to page 13, line 4)

"SECTION 5. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ _____ or so much thereof as may be necessary for fiscal year 2022-2023 for one full-time equivalent (1.0 FTE) permanent position to support soil health and carbon sequestration actions on state lands and provide technical and research assistance to the Hawaii farmland and forest soil health carbon smart incentive program established by this Act.

The sum appropriated shall be expended by the department of agriculture for the purposes of this Act."

The Department notes that the position, while located within the Department of Agriculture, is dedicated to assisting the Office of Planning and Sustainable Development in the administration, development and rollout of the program. The Department is concerned with implementing a permanent program without information and metrics regarding carbon sequestration for farmers.

The companion to SB3325 is HB2493 which establishes the Hawaii Green Infrastructure Authority as the lead agency. SB3325 may be a better vehicle to establish and administer a reasonable carbon sequestration program on agricultural lands.

Thank you for the opportunity to provide our testimony on this measure.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

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

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

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 COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION
ON
SENATE BILL NO. 3325, S.D. 2

March 15, 2022
9:00 a.m.
Room 325 and Videoconference

RELATING TO CARBON SEQUESTRATION INCENTIVES

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill No. 3325, S.D. 2, amends Section 225P-6, HRS, to establish the Hawai'i Farmland and Forest Soil Health Carbon Smart Incentive Program (program) under the Office of Planning and Sustainable Development (OPSD) to promote carbon sequestration activities through incentives contracts that provide for compensation eligible practices by program participants; appropriates an unspecified amount of general funds in FY 23 for OPSD to establish 5.00 positions for the program and fund operating costs; appropriates an unspecified amount of general funds in FY 23 to the Department of Agriculture to establish 1.00 position to provide support for the program; and appropriates an unspecified amount of general funds in FY 23 to the Department of Land and Natural Resources to establish 1.00 position to provide support for the program. The measure also requires the Greenhouse Gas Sequestration Task Force to establish a reviewing committee to review program applications and submit regular reports prior to the convening of each regular legislative session.

B&F notes that, with respect to the general fund appropriations in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

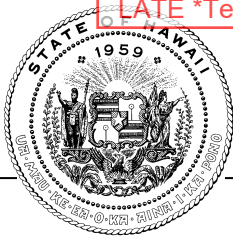
- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.



STATE OF HAWAII
OFFICE OF PLANNING
& SUSTAINABLE DEVELOPMENT

DAVID Y. IGE
GOVERNOR

MARY ALICE EVANS
DIRECTOR

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
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Statement of
MARY ALICE EVANS
Director, Office of Planning and Sustainable Development
before the
HOUSE COMMITTEES ON ENERGY AND ENVIRONMENTAL PROTECTION
Tuesday, March 15, 2022
9:00 AM
State Capitol, Conference Room 211
on
SB 3325, SD 2
RELATING TO CARBON SEQUESTRATION INCENTIVES.

Chair Lowen, Vice Chair Martin, and Members of the House Committee on Energy and Environmental Protection.

The Office of Planning and Sustainable Development (OPSD) **offers comments and amendments** on SB 3325, which establishes the Hawai'i farmland and forest soil health carbon smart incentive program (program) to incentivize carbon sequestration activities through incentives contracts that provide for compensation for eligible practices by program participants and appropriates funds for positions and for administering the program.

For the past five years, the OPSD has been researching, publishing materials, and working on carbon sequestration issues with extremely limited and no funding through the Carbon Farming Task Force (established 2017), now expanded to the permanent Greenhouse Gas Sequestration Task Force (established in 2018).

As one of the State's two climate-related boards and commissions, the State's Greenhouse Gas Sequestration Task Force is a 19-member permanent task force with many experts from the forestry, agricultural, land use, environmental, academic, and soil science communities committed to the task force's subject-matter and mission set by Hawai'i Revised Statutes (HRS) §225P-4. The Greenhouse Gas Sequestration Task Force received only 1 sole appropriation of \$150,000 funding in 2018, which yielded the following direct results:

1. The creation of a [“Healthy Soils Hawai'i” Pilot Project with the Hawaii Agricultural Research Center and the Natural Resources Conservation Service](#) (the original pilot program that the proposed program in HB 2493 is modeled after)
2. [The Desktop Analysis to Compare Pathways of Carbon Storage](#) (April 2020)
3. [Hawai'i Natural and Working Lands Baseline and Benchmarks](#) (Aug 2021)

In relation to greenhouse gas sequestration, the Office of Planning and Sustainable Development also published the [*Feasibility and Implications of Establishing a Carbon Offset Program in the State of Hawai'i*](#) in December 2019, which strongly recommended the establishment of:

1. A greenhouse gas sequestration incentives program, and
2. A greenhouse gas reduction fund, and financing mechanisms

to subsidize and support sequestration efforts within the State of Hawai'i (pages 57-59) as an alternative to establishing a Carbon Offset Program administered by the State Government.

The OPSD has long and strong record supporting greenhouse gas sequestration, despite its funding challenges and lack of staff support to administer the State's Greenhouse Gas Sequestration Task Force.

The OPSD believes that in an effort to not duplicate the roles and responsibilities between state agencies and state boards and commissions, that the reviewing committee as proposed on Page 7 of SB 3325, could be conducted by the State's Greenhouse Gas Sequestration Task Force, which is similarly required to provide annual reports to the Legislature.

The OPSD further suggests that the language in this bill be inserted and replace the language in HRS §225P-6; since the OPSD has previously recommended against State-administered Carbon Offsetting.

Finally, given the intense land use planning and land management as described in SB 3325 and the OPSD's strong relationships with the Department of Land and Natural Resources, the Department of Agriculture, Hawai'i's four counties, and landowners across the state; the OPSD strongly recommends that the Legislature consider the OPSD as the coordinating agency of the proposed "Hawai'i farmland and forest soil health carbon smart incentives program."

The OPSD is on record for the past 5 Legislative Sessions since 2018 requesting staff support for the State's Greenhouse Gas Sequestration Task Force and the promotion of greenhouse gas sequestration projects and incentives. This carbon smart incentives program directly aligns with the goals of the Greenhouse Gas Sequestration Task Force, and if provided the funding, staffing, and programmatic authority in this bill, the OPSD would be very prepared to implement this important climate mitigation program for the benefit of the State of Hawai'i, its people, and future generations.

Thank you for the opportunity to testify on this measure.



Hawaii Cattlemen's Council, Inc.

COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Rep. Nicole E. Lowen, Chair

Rep. Lisa Marten, Vice Chair

SB3325 SD2

Relating to CARBON SEQUESTRATION INCENTIVES

Tuesday, March 15, 2022, 9:00 AM

VIA VIDEOCONFERENCE

Chair Lowen, Vice Chair Marten, and Members of the Committee,

The Hawaii Cattlemen's Council (HCC) is the Statewide umbrella organization comprised of the five county level Cattlemen's Associations. Our member ranchers represent over 60,000 head of beef cows; more than 75% of all the beef cows in the State. Ranchers are the stewards of over 750 thousand acres of land in Hawaii, or 20% of the State's total land mass. We represent the interests of Hawaii's cattle producers.

The Hawaii Cattlemen's Council **supports SB3325 SD2** to establish the Hawaii farmland and forest soil health carbon smart incentive program (program) to incentivize carbon sequestration activities. We support the changes made in SD1 for the Office of Planning and Sustainable Development to coordinate the program, with the greenhouse gas sequestration task force establishing a review committee.

We appreciate the legislature's acknowledgement that both forestry and regenerative agriculture can contribute to carbon sequestration and be a solution to curbing the detrimental impacts of climate change. These impacts, such as extreme weather, drought, sea level rise, are already affecting the state, and a focus on increasing local food security is necessary. We are learning more about the positive outcomes that well-managed rangelands can provide, including carbon sequestration and increased soil health, among others. Ranchers have the capacity, knowledge, and proven track record to maintain large land areas, thereby managing the rangelands and deriving ecosystem benefits. There are still gaps in quantifying the different benefits, and this bill will help progress to quantify those benefits while also incentivizing ranchers to either continue climate smart practices, or start new practices the increase soil health and reduce carbon emissions or sequester carbon.

We do comment that these incentives would apply to both private land owners as well as those who lease on state lands, and in order to apply these practices, long term leases are necessary. The investment in the practices and monitoring or results do not happen over a short time period, but instead are realized over the years. This is one of the key reasons the Hawaii Cattlemen's Council advocates for agricultural leases to be transferred from the Department of Land and Natural Resources (where leases are often on revocable permits) to the Department of Agriculture where appropriate lease



are given for long-term planning of agricultural operations, and aid in encouraging investment into other climate smart practices.

We appreciate the opportunity to testify on this measure.

Nicole Galase
Hawaii Cattlemen's Council
Managing Director

SB-3325-SD-2

Submitted on: 3/13/2022 11:10:24 AM

Testimony for EEP on 3/15/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jennifer Navarra	Zero Waste Hawaii Island	Support	Written Testimony Only

Comments:

Passage of this bill is so critical to sequestering carbon in the soil and moving Hawaii toward a local based food economy.

**Testimony of The Nature Conservancy
Supporting SB 3325 SD2, RELATING TO CARBON SEQUESTRATION INCENTIVES.
Committee on Energy and Environmental Protection
March 15, 2022, 9:00 am
Conference Room 325 via Videoconference**

Aloha Chair Lowen, Vice Chair Marten, and Members of the Committee:

The Nature Conservancy (TNC) supports SB 3325 SD 2, Relating to Carbon Sequestration Incentives, which would establish the Hawai'i farmland and forest soil health carbon smart incentive program to incentivize carbon sequestration activities through incentives contracts that provide for compensation for eligible practices by program participants, and appropriates funds for positions and for administering the program.

As a member of the US Climate Alliance Natural and Working Lands Hawai'i Research Team (Team), TNC appreciates the opportunity to testify on this bill. As you may know the Team worked closely with the US Climate Alliance and American Forests to design this program to address the needs of our natural and working land managers.

A Hawai'i farmland and forest soil health carbon smart incentive program is vital to support our local producers and reach a carbon neutral clean economy by 2045. Agriculture, forests, and other land uses (AFOLU) are currently the State's only carbon sink. Actively 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. Establishing this program will help small land managers employ healthy soil and carbon smart practices to sequester additional carbon on natural and working lands.

Regarding administration of the program, TNC supports the Hawai'i Green Infrastructure Authority (HGIA) as the host of this program, as currently drafted in HB 2493 HD2. Through its work financing clean energy infrastructure, HGIA has been actively contributing to the State's efforts in addressing the problem of climate change and can effectively continue this work through this program. TNC also supports all State agencies engaged in AFOLU efforts to play active roles in the program's implementation.

Carbon smart practices will not only sequester carbon but improve soil health, protecting agriculture into the future; increase the amount of water that filters into our aquifers; reduce erosion, protecting our reefs from sedimentation and stress; and support our local producers and growers. Mahalo for the opportunity to provide testimony on SB 3325 SD2.

The Nature Conservancy of Hawai'i and Palmyra is a non-profit organization dedicated to the preservation of the lands and waters upon which all life depends. The Conservancy has helped protect more than 200,000 acres of natural lands in Hawai'i and Palmyra Atoll. We manage 40,000 acres in 13 nature preserves and work in over 50 coastal communities to help protect and restore the nearshore reefs and fisheries of the main Hawaiian Islands. We forge partnerships with government, private parties, and communities to protect forests and coral reefs for their ecological values and for the many benefits they provide to people.

BOARD OF TRUSTEES

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Kathy M. Matsui Janet Montag Alicia Moy Bradley E. Smith Julie Smolinski Peter K. Tomozawa Richard N. Zwern

SB-3325-SD-2

Submitted on: 3/13/2022 4:28:02 PM

Testimony for EEP on 3/15/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ted Bohlen	Climate Protectors Hawai'i	Support	Written Testimony Only

Comments:

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

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

Re: Hearing SB3325 SD2 RELATING TO CARBON SEQUESTRATION INCENTIVES.

Tuesday March 15, 2022, 9:00 a.m., by videoconference

Aloha Chair Lowen, Vice Chair Marten, and Members of the House Committee on Energy and Environmental Protection!

Position: **Climate Protectors Hawai'i Strongly Supports SB3325 SD2**

The Climate Protectors Hawai'i is a group focused on reversing the climate crisis and encouraging Hawai'i to lead the world towards a safe and sustainable climate and future. The Climate Protectors Hawai'i **STRONGLY SUPPORTS SB3325 SD2** because it would help Hawai'i lead in mitigating the climate emergency.

As a tropical island State, Hawai'i 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 latest science, including frightening feedback loop data, indicates that 2045 will be too late. Hawai'i must decarbonize in this decade in order to lead and help mitigate the climate emergency!**

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 Hawai'i farmland and forest soil health carbon smart incentive program that will promote keeping forests and farmlands intact and sequester additional carbon on those lands.

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

Please pass this important bill!

Mahalo!

Climate Protectors Hawai'i (by Ted Bohlen)



To: The House Committee on Energy and Environmental Protection
From: Sherry Pollack, 350Hawaii.org
Date: Tuesday, March 15, 2022, 9am

In support of SB3325 SD2

Aloha Chair Lowen, Vice Chair Marten, and Energy and Environmental Protection Committee members,

I am Co-Founder of the Hawaii chapter of 350.org, the largest international organization dedicated to fighting climate change. 350Hawaii.org **supports SB3325 SD2** that would establish the Hawaii farmland and forest soil health carbon smart incentive program to incentivize carbon sequestration activities through incentives contracts that provide for compensation for eligible practices by program participants.

Establishing a farmland and forest soil health carbon smart incentive program will promote keeping forests and farmlands intact and sequester additional carbon on those lands. This program will incentivize actions that will improve soil health and sequester carbon. This would allow small farmers, ranchers, foresters, and landowners to be compensated for taking measures to help Hawaii reach its climate readiness goals.

Climate change has led to an increase in the frequency of extreme weather events which increases the risks to our already vulnerable food supply chain. Hawaii needs to reduce its contribution to climate change, increase local food production, improve soil health, and secure resilient water sources through watershed protection. Programs such as the Hawaii farmland and forest soil health carbon smart incentive program are an effective means to do that.

Mahalo for the opportunity to testify in **support** of this important legislation.

Sherry Pollack
Co-Founder, 350Hawaii.org



P.O. Box 253, Kunia, Hawai'i 96759
Phone: (808) 848-2074; Fax: (808) 848-1921
e-mail info@hfbf.org; www.hfbf.org

March 15, 2022

HEARING BEFORE THE
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

TESTIMONY ON SB 3325, SD2
RELATING TO CARBON SEQUESTRATION INCENTIVES

Conference Room 325 & Videoconference
9:00 AM

Aloha Chair Lowen, Vice-Chair Marten, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawai'i Farm Bureau supports with comments SB 3325, SD2, which establishes the Hawai'i farmland and forest soil health carbon smart incentive program to incentivize carbon sequestration activities through incentives contracts that provide for compensation for eligible practices by program participants.

- Agricultural lands and operations already have a significant role in sequestering carbon. The proposed program hopes to promote additional sequestration through voluntary participation of landowners/lessees of agricultural land who would be compensated to undertake certain stipulated practices. It will be particularly important that these practices are science and evidence-based and that participation in the program makes agronomic and economic sense.
- The proposed program highlights the need for State agricultural leases to be transferred from the DLNR (where they are relatively short-term, and otherwise less supportive leases or revocable permits) to the DOA where appropriate lease terms allow long-term planning, investments, and participation in forward-thinking beneficial programs such as this one.

Thank you for the opportunity to provide our comments and thank you for your continued support of Hawai'i's agricultural community.



Environmental Caucus of The Democratic Party of Hawai'i

Energy & Climate Action Committee

Tuesday, March 15, 2022, 9:00 am

House Committee on Energy and Environment Protection

SENATE BILL 3325 – RELATING TO CARBON SEQUESTRATION INCENTIVES

Position: Strong Support

Me ke Aloha, Chair Lowen, Vice-Chair Marten, and Members of the Committee on Energy and Environment Protection:

The Energy and Climate Action Committee joins our sister standing committee on Agriculture and Food Security in strong support of this thoughtful and far-reaching bill. Sequestration of atmospheric carbons is one of the planet's most pressing needs for the foreseeable future, and this bill will also benefit a prime priority for Hawaii communities – food security.

Soil depletion has been a deleterious by-product of commercial agriculture for a very long time, and soil health will benefit human health in multiple ways, including the production of more nutritious food for people and animals alike, and improving air quality with healthy microbes. Hawaii has every food-bearing biome in the world, rich native soils, and often multiple growing seasons in a relatively benign climate. Hawaii should be able to grow 100% of its essential foodstuffs, and its forests and rangelands could be doing our fair share of atmospheric greenhouse gas (GHG) sequestration. In addition, this program opens the door to ending food waste and sharply curtailing waste loads needing landfill or incineration – two more obsolete practices we need to resolve.

We understand that various agencies are not agreed as to who should manage this program. The technical support provided under this program will be essential to broad collaboration across all landowners. Our Committee urges the legislature to continue working with the agencies to find the best fit and to move forward with all due speed to implement the bills' intentions. They include the Green Infrastructure Authority, the Climate Change Mitigation and Adaptation Commission within the Department of Land and Natural Resources, Forestry Division, the U.S. Climate Alliance Natural and Working Lands Research Team, the Department of Agriculture, the Greenhouse Gas Sequestration Task Force, the Nature Conservancy, and the Law School.

The program requires a comprehensive understanding and a long-range strategy, with an early implementation phase to gear up and subsequent implementation phases, a thoughtful presentation of eligibility, incentives, and priorities, multiple benefits, site visits, and several staffing positions to administer this complex program of outreach, technical service, loans and reviews.

We appreciate your full support of this bill.

Mahalo for the opportunity to address this matter.

Charley Ice & Ted Bohlen, Co-Chairs, Energy and Climate Action Committee
Environmental Caucus of the Democratic Party



House Committees on Energy & Environmental Protection

Tuesday, March 15th, 2022, 9:00a.m. Conference Room 325

Hawai'i Alliance for Progressive Action Supports: SB3325 SD2

Aloha Chairs Lowen, Vice Chairs Marten and Members of the Committee,

On behalf of the Hawai'i Alliance for Progressive Action (HAPA) I am submitting testimony in support of SB3325 SD2.

SB3325 SD2 establishes the Hawai'i farmland and forest soil health carbon smart incentive program to incentivize carbon sequestration activities through incentive contracts that provide compensation for eligible practices by program participants.

HAPA supports SB3325 because we believe that it will help promote keeping forests and farmlands intact and support ways that land management can help with encouraging the sequestering of carbon.

This program will incentivize those actions that help to improve soil quality and those that help to sequester carbon and allow small farmers, ranchers, foresters, and landowners to be compensated for the valuable role they play in helping us reach our climate readiness goals.

Hawai'i needs to reduce its contribution to climate change, increase local food production, improve soil health, and secure resilient water sources through watershed protection. Programs such as the Hawai'i farmland and forest soil health carbon smart incentive program are a part of the solution to making this happen.

Please pass SB3325 SD2.

Mahalo for your consideration,

A handwritten signature in black ink, appearing to read 'Anne Frederick', is positioned above the printed name.

Anne Frederick

Executive Director

SB-3325-SD-2

Submitted on: 3/14/2022 8:38:49 PM

Testimony for EEP on 3/15/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
laurel brier	Kauai women's caucus	Support	Written Testimony Only

Comments:

You passed the Climate Emergency Resolution last year now we need legislation to back it up. Nature, with regenerative farming practices and reforestation, is the best way to sequester carbon which is needed along with deep decarbonization. Please pass SB3325 SD2 which will help support are local farmers as well



Environmental Caucus of The Democratic Party of Hawai'i

To: The Honorable Nicole Lowen, Chair
The Honorable Lisa Marten, Vice Chair
Committee on Energy & Environmental Protection

Re: **SB 3325 SD 2 – RELATING TO CARBON SEQUESTRATION INCENTIVES**
Hearing: Tuesday, March 15, 2022, 9:00 a.m., Conference Room 325 and
Via Videoconference

Position: **Strong support**

Aloha, Chair Lowen, Vice Chair Marten, and Members of the Committee on Energy and Environmental Protection:

The Environmental Caucus of the Democratic Party of Hawai'i stands in strong support of SB 3325 SD2. This measure would establish the Hawaii farmland and forest soil health carbon smart incentive program (Program) to incentivize carbon sequestration activities through incentives contracts that provide for compensation for eligible practices by program participants. This measure appropriates funds for positions and for administering the program.

This Program would incentivize practices that increase soil health and reduce carbon emissions through carbon sequestration and storage over a designated period on eligible land. Such practices include reforestation, building windbreaks, conservation tillage and reduced field pass intensity, improved forages, controlling invasive species, efficient nutrient management, crop diversity through rotations and cover crops, manure management, rotational grazing and improved forages, waste-stream derived amendment application, improved cropping and organic systems, and feed management.

For these reasons, the Environmental Caucus of the Democratic Party of Hawai'i supports SB 3325 SD2 as it will incentivize programs that will assist in combating the climate crisis through soil health and carbon sequestration activities.

Mahalo for the opportunity to testify,

Melodie Aaiya

Alan Burdick

Co-Chairs, Environmental Caucus of the
Democratic Party of Hawai'i

Email: legislativepriorities@gmail.com

SB-3325-SD-2

Submitted on: 3/12/2022 7:17:22 PM

Testimony for EEP on 3/15/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Tadia Rice	Individual	Support	Written Testimony Only

Comments:

Aloha EEP Committee:

Establishing a farmland and forest soil health carbon smart incentive program will promote keeping forests and farmlands intact and sequester additional carbon on those lands. Incentivize nature with soil health and carbon positive provide rich, diverse co-benefits such as restoring, maintaining, and improving landscape soil health and water security through payment for services programs.

Please SUPPORT SB3325 SD2 because Hawaii needs to reduce its contribution to climate change, increase local food production, improve soil health, and secure resilient water sources through watershed protection. This program would be an effective way to do that. In addition to cutting emissions from burning carbon, Hawaii needs to mitigate climate change by sequestering greenhouse gases through regenerative agriculture and forest preservation. This program would incentivize these efforts and thereby help Hawaii reach its climate readiness goals.

Climate change has led to an increase in the frequency of extreme weather events which increases the risks to our already vulnerable food supply chain. Programs such as this that increase local food production are an effective means to promote greater food and water security.

Mahalo.

SB-3325-SD-2

Submitted on: 3/12/2022 7:28:12 PM

Testimony for EEP on 3/15/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
David Dinner	Individual	Support	Written Testimony Only

Comments:

A carrot to help encourage farming and fight climate change. Please support.

SB-3325-SD-2

Submitted on: 3/12/2022 8:15:39 PM

Testimony for EEP on 3/15/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Robert Douglas	Individual	Support	Written Testimony Only

Comments:

- Hawaii needs to reduce its contribution to climate change, increase local food production, improve soil health, and secure resilient water sources through watershed protection. This program would be an effective way to do that.

-In addition to cutting emissions from burning carbon, Hawaii needs to mitigate climate change by sequestering greenhouse gases through regenerative agriculture and forest preservation. This program would incentivize these efforts and thereby help Hawaii reach its climate readiness goals.

-Climate change has led to an increase in the frequency of extreme weather events which increases the risks to our already vulnerable food supply chain. Programs such as this that increase local food production are an effective means to promote greater food and water security.

SB-3325-SD-2

Submitted on: 3/12/2022 10:18:06 PM

Testimony for EEP on 3/15/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Camile Cleveland	Individual	Support	Written Testimony Only

Comments:

I strongly support this bill. Carbon sequestration is a critical aspect of reducing Hawaii's statewide emissions, which need to be cut back drastically and rapidly. Mahalo for the opportunity to testify.

SB-3325-SD-2

Submitted on: 3/13/2022 11:07:37 AM

Testimony for EEP on 3/15/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ruta Jordans	Individual	Support	Written Testimony Only

Comments:

Carbon sequestration activities need to be encouraged. Establishing a farmland and forest soil health carbon smart incentive program that will promote keeping forests and farmlands intact and sequester additional carbon on those lands. Incentivizing nature-based actions that are soil health and carbon positive provide rich, diverse co-benefits such as restoring, maintaining, and improving landscape soil health and water security through payment for ecosystem services programs. This would allow small farmers, ranchers, foresters, and landowners to be compensated for taking measures to help Hawaii reach its climate readiness goals.

SB-3325-SD-2

Submitted on: 3/13/2022 4:00:46 PM

Testimony for EEP on 3/15/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Gerard Silva	Individual	Oppose	Written Testimony Only

Comments:

All Farms live off Carbon!!

SB-3325-SD-2

Submitted on: 3/13/2022 4:56:07 PM

Testimony for EEP on 3/15/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Diane Ware	Individual	Support	Written Testimony Only

Comments:

Dear Chair EEP and Committee Members,

SB3325 SD2 aims to establish the Hawaii farmland and forest soil health carbon smart incentive program to incentivize carbon sequestration activities through incentives contracts that provide for compensation for eligible practices by program participants. Appropriates funds for positions and for administering the program.

Establishing a farmland and forest soil health carbon smart incentive program that will promote keeping forests and farmlands intact and sequester additional carbon on those lands.

Incentivizing nature—based actions that are soil health and carbon positive provide rich, diverse co-benefits such as restoring, maintaining, and improving landscape soil health and water security through payment for services programs. This would allow small farmers, ranchers, foresters, and landowners to be compensated for taking measures to help Hawaii reach its climate readiness goals.

The climate crisis is right here right now, I urge you to pass this measure and move forward.

Respectfully,

Diane Ware, 808-967-8642

Volcano HI 96785

SB-3325-SD-2

Submitted on: 3/13/2022 5:59:04 PM

Testimony for EEP on 3/15/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Glenn Metzler	Individual	Support	Written Testimony Only

Comments:

I support this bill that would incentivise actions to promote soil health and sequester carbon. It would provide co-benefits such as restoring, maintaining, and improving landscape soil health and water security through payment for services programs. Research around the world is showing the need for, and benefits of improved soil health for food production and natural systems. Hawaii should be a leader on this issue and set an example.

Thank you.

SB 3325 SD 1 TESTIMONY

To: House Committee on Energy and Environmental Protection
Hearing on March 15, 2022 at 9:00 a.m.

From: John Kawamoto

Position: Support

Carbon sequestration complements efforts to reduce carbon emissions to mitigate climate change. We need to do both -- sequester carbon and reduce carbon emissions -- if we are to avoid a global climate catastrophe.

Among other things, this bill incentivizes the planting of new forests to sequester carbon. Meanwhile, other bills are being considered by the Legislature that would cut down forests to generate electricity. Those bills should be avoided.

This bill mitigates climate change, and it will have beneficial impacts for generations to come.

Benjamin Duke

Kailua-Kona

March 13, 2022

Re: SB3325

Representative Lowen

State Capitol, Room 27
415 South Beretania Street

Dear Chair Lowen,

I would like to express my support for SB3325. I believe that climate change is the biggest issue that our state faces. This bill will not only address climate change, it will increase our state's food production, improve soil health, and improve watershed health throughout the state. Regenerative agriculture has proven successful in many parts of the world- it results in sequestration of greenhouse gasses. Our state will become increasingly vulnerable to climate change if we don't reduce our carbon footprint. Our state can lead the way by passing legislation such as this.

Sincerely,

Benjamin Duke

SB-3325-SD-2

Submitted on: 3/13/2022 9:10:04 PM

Testimony for EEP on 3/15/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Thomas Brandt	Individual	Support	Written Testimony Only

Comments:

Support!

SB-3325-SD-2

Submitted on: 3/13/2022 9:47:49 PM

Testimony for EEP on 3/15/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
C. Vierra	Individual	Support	Written Testimony Only

Comments:

Hawaii needs to reduce its contribution to climate change, increase local food production, improve soil health, and secure resilient water sources through watershed protection. This program would be an effective way to do that.

Mahalo

SB-3325-SD-2

Submitted on: 3/14/2022 5:52:47 AM

Testimony for EEP on 3/15/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Noreen Dougherty	Individual	Support	Written Testimony Only

Comments:

Senators:

I strongly support SB3325 which would allow small farmers, ranchers, foresters, and landowners to be compensated for taking measures to help Hawaii reach it's climate readiness goals. It is imperative that we do as much as possible concerning Climate Change during this legislative session. Please support SB3325 SD2.

Mahalo.

Noreen Dougherty

Kapaa, Hawaii

SB-3325-SD-2

Submitted on: 3/14/2022 7:02:08 AM

Testimony for EEP on 3/15/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Paul Bernstein	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Lowen, Vice Chair Marten, and members of the EEP committee:

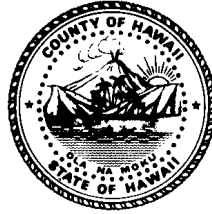
I'm writing in strong support of SB3325. To meet 2045 goals of net zero, the State will have to undertake land based sequestration. This bill is a necessary and important step toward this effort. The current market place fails to fully account for the social value of these lands. The bill will help the State more correctly value the State's farm and forest lands.

As a hiker and parent, I would like to see as much of our open spaces protected for my children and their children. This bill would increase the incentives to protect our treasured open spaces.

Respectfully,

Paul Bernstein

REBECCA VILLEGAS
Council Member
District 7, Central Kona



PHONE: (808) 323-4267
FAX: (808) 323-4786
EMAIL: Rebecca.villegas@hawaiicounty.gov

HAWAI'I COUNTY COUNCIL

West Hawai'i Civic Center, Bldg. A
74-5044 Ane Keohokalole Hwy. Kailua-Kona, Hawai'i 96740

March 14, 2022

TESTIMONY OF REBECCA VILLEGAS
COUNCIL MEMBER, HAWAI'I COUNTY COUNCIL
ON SB 3325 SD2, RELATING TO CARBON SEQUESTRATION INCENTIVES
Committee on Energy, & Environmental Protection
Tuesday, March 15, 2022 at 9:00am

Aloha Chair Lowen and Members of the Committee:

My testimony is submitted in my individual capacity as a member of the Hawai'i County Council and Chair of the Hawai'i County Council Climate Resilience and Natural Resource Management Committee.

I support SB3325 SD2 which establishes a farmland and forest soil health carbon smart incentive program that will promote keeping forests and farmlands intact and sequester additional carbon on those lands.

Climate change has led to an increase in the frequency of extreme weather events that serve to only complicate increased risks associated with the Hawaiian islands, Such extreme weather events can put greater stress on an already vulnerable food supply chain as well as water supplies. The potential for shortages highlights the need for greater food and water security, which can be achieved through increased local food production.

Hawaii needs to reduce its contribution to climate change, increase local food production, improve soil health, and secure resilient water sources. The passing of SB3325 SD2 will be a step in the right direction.

For the reasons stated above I urge the Committee on Energy & Environmental Protection support this measure as well. Should you have any questions, please feel free to contact me at (808) 323-4267.

Mahalo for your consideration.

A handwritten signature in black ink, appearing to read "Rebecca Villegas".

Rebecca Villegas
Council Member, Hawai'i County Council

SB-3325-SD-2

Submitted on: 3/14/2022 12:01:34 PM

Testimony for EEP on 3/15/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Caroline Kunitake	Individual	Support	Written Testimony Only

Comments:

I support SB3325 SD2

SB-3325-SD-2

Submitted on: 3/15/2022 1:39:08 AM

Testimony for EEP on 3/15/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Janet L Pappas	Individual	Support	Written Testimony Only

Comments:

Dear EEP committee members,

Please support this bill to establish carbon sequestration incentives for Hawaii forests and farmlands. Such a bill will help mitigate the effects of climate change by sequestering carbon in the ground. Hawaii needs to do its part to keep temperatures at livable levels, reduce air pollution and improve soil health. The resulting environment will benefit us all.

Please encourage farmers and foresters to put these healthy actions into practice by passing this bill.

Thank you.

Sincerely,

Jan Pappas

Aiea, Hawaii 96701