



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

235 South Beretania Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone:
Web:

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARK B. GLICK
CHIEF ENERGY OFFICER

(808) 451-6648
energy.hawaii.gov

Testimony of MARK B. GLICK, Chief Energy Officer

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

Thursday, February 8, 2024

1:01 PM

State Capitol, Conference Room 229 and Videoconference

Providing Comments on
SB 3282

RELATING TO ENERGY.

Chair DeCoite, Vice Chair Wakai, and Members of the Committee, I am writing with comments on SB 3282 which proposes to return the Hawai'i State Energy Office (HSEO) to operate under the direction of the Department of Business, Economic Development, and Tourism (DBEDT).

When the Legislature passed HB 852 in 2019, it stated that "although the state energy office is tasked with the responsibility of overseeing one-eighth of Hawaii's economy, which impacts every business and household, the state energy office lacks an enabling statute, a mission, formal guidance, and reporting accountability. Additionally, appointment of the head of the state energy office, the Hawaii state energy office administrator, is exempt from the senate confirmation process required for the majority of other agency heads."

HSEO suggests that the Legislature reversing its course in SB 3282 would be a distraction from the important work conducted by the energy office. Furthermore, DBEDT is such a diverse and multifaceted department given the growth of its responsibilities over the years-- it would be detrimental to treat the energy sector as "just another issue" under DBEDT's portfolio.

Keeping HSEO independent and at the direction of the Governor will be critical to provide factual analysis and keeping state leadership informed on energy policy. This is especially true as the Green Administration is focused on an energy transition in Hawai'i that prioritizes affordability, reliability, and limiting our carbon emissions.

During 2023, HSEO focused on the nineteen statutory obligations of the chief Energy Officer to move forward policies, programs and services related to energy efficiency, renewable energy, clean transportation, and energy resiliency and to seek and secure the resources to carry out our agenda. HSEO analyzed market gaps in firm renewable resources and long duration storage, especially geothermal and pumped hydro, and developed policies and pursued funding opportunities to fill those gaps. With Coronavirus State Fiscal Recovery Relief Funds (CSFRF) under the American Rescue Plan (ARP) Act, Governor Green authorized HSEO to conduct initial slim-hole test wells to understand where geothermal resources might exist on Maui, Hawai'i and O'ahu and will engage energy stakeholders at the community level to gain insight on how and where development can appropriately take place in ways that meaningfully benefit the affected communities.

The Governor also authorized those ARP funds to be used by HSEO for a rapid and thorough analysis of proposed state actions to replace low sulfur fuel oil and lower efficiency power generation to mitigate oil price volatility and reduce electricity rates and carbon dioxide emissions. By mid-April of 2024, the Chief Energy Officer will report to Governor Green HSEO's assessment and its effect on the state's energy program.

In October of 2023, HSEO successfully completed its O'ahu Energy System and Critical Infrastructure Vulnerability and Resiliency Assessment funded by Federal Energy Management Agency's Hazard Mitigation Grant Program ("Advance Assistance" Program Grant). This comprehensive inventory and baseline assessment of O'ahu's major energy supply, distribution, and demand networks serves as a critical energy security assessment and plan to safeguard the State's critical energy infrastructure. The Governor's Office and HSEO has encouraged FEMA to release funds designated for an Advance Assistance 2.0 project which will conduct a similar energy system risk assessment and plan for Kaua'i, Maui and Hawai'i island.

During 2023, the Green Administration and the Chief Energy Officer placed the highest priority on securing funding and support of the U.S. Department of Energy under the Bipartisan Infrastructure Law and the Inflation Reduction Act (IRA).

During 2023, HSEO was selected to receive approximately \$30 million in grant awards and was the lead applicant with more than fifty program partners in submitting applications of about \$1.15 billion in grants. In November of 2023, HSEO and was one of three states to be invited to make an early application for \$34 million in energy efficiency appliance rebates targeted for low- and moderate-income residents. HSEO anticipates approval of that rebate program during the first quarter of 2024, at which time it will submit applications for another \$534 million in grant opportunities featuring additional energy efficiency rebates including \$250 million for an innovative statewide sensor-based system to shut-off power for compromised transmission and distribution lines during wildfire events.

Since January 2023, HSEO has been coordinating with local workforce development entities and employers in Hawai'i's energy sectors to identify priority workforce needs that can be met through the federally funded Good Jobs Hawai'i (GJHI) that HSEO supports. GJHI is a statewide collaboration of over 70 employers, training providers, community-based organizations, and key stakeholders focused on workforce training and placement in quality clean energy jobs. HSEO works with GJHI leads, University of Hawai'i Community Colleges (UHCC) and the Hawai'i Chamber of Commerce. From April 1, 2023 to Sept. 30, 2023, GJHI served 272 clean energy enrollees, while 152 successfully completed and 100 were placed in full time employment.

Given the productivity of the Energy Office under the direction of Governor Green, the fundamental question in considering SB 3282 may be "If it is not broke, why fix it?"

Thank you for the opportunity to testify.

Statement of
Brigadier General Stanley J. Osserman Jr. (USAF Ret.), President
Tigershark, LLC
Before the
Senate Committee on Energy, Economic Development and Tourism
8 February 2024
1:01 pm
State Capitol Conference Room #229
In consideration of
SB3282
Relating to Renewable Energy

Chair DeCoite

4 February 2024

Vice Chair Wakai and Distinguished Committee Members:

I stand in support of this bill.

As the former director of the Hawaii Center for Advanced Transportation Technologies (HCATT; 2013 to 2019), Hawaii Department of Business, Economic Development and Tourism (DBEDT), I continue to serve our state by promoting clean, renewable energy solutions. This testimony is NOT being given for compensation of any kind by any corporate or commercial entity. I am presenting to you today as a concerned “Life-Long” citizen of the State of Hawaii with extensive professional experience in energy systems, retail and wholesale business, military matters, international commerce, aviation, construction, maritime operations, and public safety, among others. My goal is to help our government leaders make good strategic choices.

SB3282 is an ambitious effort and a tall order for the Hawaii State Energy Office! All of the actions laid out are needed, but I don’t see how they can leverage the power of their office to get the job done in a timely manner. But I must commend you for trying to drive things forward.

I look forward to Their report back to the Legislature in 2025!

Private power producers have been hamstrung by complex and cumbersome processes to develop clean power generation and I hope this helps Hawaii address the complex challenges that lie ahead. SB3282 is a valliant start.

Brigadier General, Stanley J. Osserman Jr. (USAF Ret.)

President, Tigershark, LLC

SB-3282

Submitted on: 2/6/2024 3:57:26 PM

Testimony for EET on 2/8/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Dylan P. Armstrong	Individual	Support	Written Testimony Only

Comments:

Sens. DeCoite and Wakai, Chair and Vice Chair
Committee on Energy, Economic Development & Tourism

RE: SB 3282

Dear Senators,

I support SB 3282 which is intended to:

Make... the Hawaii State Energy Office a division of the Department of Business, Economic Development, and Tourism. Renames the Chief Energy Officer as the Chief Energy Administrator. Requires the Hawaii State Energy Office to establish a State Energy Plan. Appropriates moneys. Declares that the appropriation exceeds the state general fund expenditure ceiling for 2024-2025.

Establishing the Hawai'i State Energy Office within the Department of Business, Economic Development & Tourism (DBEDT) has both logic on its side and a danger against it.

The legislature must be the driver on something as expansive as energy policy as it relates to the economy, basic life-sustaining services, and climate change mitigation. To take a reactive role in relation to administrators sets up two branches of government to fail. Hence I am very supportive of the effort to stipulate a State Energy Plan.

The state's departments have long had attached and quasi-independent offices, such as the former Office of Environmental Quality and the current O'ahu Metropolitan Planning Organization (O'ahuMPO).

What is important is that the independence of these offices be respected (in the case of O'ahuMPO, per the very much immutable US Code of Federal Regulations). The legislature and the HSEO must negotiate an appropriate policy with regards to HSEO actions as these support the general welfare, consumer rights, and necessary climate mitigation based on established science.

In summary, I support.

Thank you for your consideration.
Dylan P. Armstrong

Good afternoon. My name is Brian Barbata. I've owned or managed several Hawaii businesses in my 40 years in energy, on four islands, including the installation of solar panels, the cleanup of petroleum contaminated sites, the distribution of fuels, and others. I was also a founding director of the **Kauai Island Utility Coop**. You may have seen my op-eds on energy in the Star Advertiser. My testimony in favor of establishing a State Energy Office is predicated on additional language describing the purposes of the Office.

SB3282 goes to great lengths to describe many renewable energy objectives, all of which have been covered in the past by the Legislature one way or the other. Left out of SB3282 and every Legislative initiative since the "100% renewables" law was passed, is an unbiased review of where this state is going with energy.

The public is anxious to know how various renewable sources are actually feasible, and what Hawaii's energy future might look like. For three years, I have spoken with senators and representatives, as well as Hawaiian Electric, about this knowledge gap. No one seems willing to come right out and sponsor such a review.

There is a total lack of credible information on how a transition to 100% renewables might play out, especially on Oahu. When Hawaiian Electric publishes its plans, each county is treated exactly the same in the presentation of data, historical and projected. That's certainly fair, but it obfuscates the main challenge with our renewables transition: the island of Oahu, where 70% of us live.

This doesn't mean that only Oahu should be part of such a review of renewable realities. It is simply the one that needs more granularity, because it is where the biggest impact will be, and where the efforts of the Legislature need to be focused. Oahu's challenges are diluted by the opportunities for other islands. Some point to Kauai and say, "Kauai has done it, so it can be done!". Good for Kauai, but the population of Kauai and the other islands, along with each of their unique resources, don't necessarily apply to Oahu.

In fact, Oahu has precious little opportunity other than solar. Wind is unlikely to expand here. Yet I hear all the time, "Oh, we're going to biofuels", "We're moving to a hydrogen economy", "We're going to expand solar", "Electric cars will be powered from our rooftops", "Airplanes will fly on electricity", and the biggest deflection of all, "100% renewables will be a mix". I'm not saying any of these are wrong. What I am saying is that these and many other examples of "feel good"

common wisdom are full of misinformation, and fail to recognize the realities of our renewables quest. We need understand the probabilities, the hidden costs, potential adverse consequences, and timelines. Only a constantly updated study can put all this in the bright light of day, and it is a perfect mandate for the Energy Office.

Call it a “review”, a “study”, a “reassessment”, or whatever, but Legislative directions to the PUC, Hawaiian Electric, and all state agencies need a foundation of clear knowledge of the challenges and probabilities of each renewable technology, not simply a reliance on expanding small successes here and there. On an island, land use is critical. If we are to power Oahu in 20 years mainly with solar, the people should know that implies 20-30 thousand acres of land, all in the central valley. Do I know that for certain? No. But neither do you.

Thank you for your attention. Malama ka ‘aina!