

JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



**STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA 'OIHANA KUMUWAIWAI 'ĀINA**

P.O. BOX 621
HONOLULU, HAWAII 96809

DAWN N.S. CHANG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE
MANAGEMENT

RYAN K.P. KANAKA'OLE
FIRST DEPUTY

DEAN D. UYENO
ACTING 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

**Testimony of
DAWN N. S. CHANG
Chairperson**

**Before the Senate Committee on
COMMERCE AND CONSUMER PROTECTION**

**Wednesday, March 27, 2024
9:30 AM**

State Capitol, Conference Room 229 & Videoconference

**In consideration of
HOUSE BILL 2020 HOUSE DRAFT 2 SENATE DRAFT 1
RELATING TO RENEWABLE ENERGY**

House Bill 2020 HD2 SD1 proposes to amend the definition of “renewable energy producer” in section 171-95, Hawaii Revised Statutes (HRS) to allow renewable energy producers to sell to entities other than an electric utility company regulated under chapter 269, HRS. **The Department of Land and Natural Resources (Department) strongly supports this measure.**

As written, to be eligible for a directly negotiated lease under section 171-95, HRS, a renewable energy producer is required to sell all of the net power produced from the demised premises to an electric utility company regulated under chapter 269, HRS. The Department believes that this statute is outdated and in need of modernization. Evolving renewable energy technology now includes far more than electricity generated by solar panels and governing statutes should reflect that new reality. For example, a renewable energy project could produce energy in a form other than electricity, such as hydrogen, that would not involve the sale of electricity or “wheeling,” which testifiers have expressed concern about in prior testimony.

Removing the requirement that power be sold to an electric utility company would benefit the Department with greater flexibility to generate revenue to support its mission by expanding the pool of potential applicants eligible for leases via direct negotiation rather than the cumbersome and costly auction process. More importantly, the recommendation proposed above provides greater opportunity for the expansion of renewable energy production in Hawai'i.

Mahalo for the opportunity to testify on this measure.

TESTIMONY OF
LEODOLOFF R. ASUNCION, JR.
CHAIR, PUBLIC UTILITIES COMMISSION
STATE OF HAWAII

TO THE
SENATE COMMITTEE ON
COMMERCE AND CONSUMER PROTECTION

Wednesday, March 27, 2024
9:30 a.m.

Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committees:

MEASURE: H.B. No. 2020, HD2, SD1

TITLE: RELATING TO RENEWABLE ENERGY.

DESCRIPTION: Expands the definition of “renewable energy producer” that is used to determine the Board of Land and Natural Resources’ disposition of public lands to renewable energy producers. Take effect 1/1/2060. (SD1)

POSITION:

The Public Utilities Commission (“Commission”) supports this measure and offers the following comments for consideration.

COMMENTS:

The Commission supports this measure to allow the Board of Land and Natural Resources to lease public lands to renewable energy producers. This effort should assist in expanding the market for renewable energy in order to complement the State’s efforts to achieve its renewable energy goals. The Commission recognizes the potential advantages of a more diverse energy market that would promote the production of clean energy and understands that producers of renewable energy play an important role in the State’s transition to renewable energy. This measure would serve to increase the number of allowed producers and provide more flexibility and options for sellers and buyers in the renewable energy market.

The Commission observes that the measure provides consistency across statutes by aligning the definition of “renewable energy” in HRS § 171-95 with the definition in Chapter 269. The Commission notes that the two definitions are currently substantially similar and

supports this modification. Additionally, the Commission appreciates and supports the amended language in Section 2 (page 4, lines 12 – 15), as recommended by the Committees on Energy, Economic Development and Tourism, and Water and Land.

Thank you for the opportunity to testify on this measure.

**Hawaii
Legislative
Council
Members**

Joell Edwards
Wainiha Country
Market
Hanalei

Russell Ruderman
Island Naturals
Hilo/Kona

Dr. Andrew Johnson
Niko Niko Family
Dentistry
Honolulu

Robert H. Pahia
Hawaii Taro Farm
Wailuku

Maile Meyer
Na Mea Hawaii
Honolulu

Tina Wildberger
Kihei Ice
Kihei

L. Malu Shizue Miki
Abundant Life
Natural Foods
Hilo

Kim Coco Iwamoto
Enlightened Energy
Honolulu

Chamber of
Sustainable
Commerce
P.O. Box 22394
Honolulu, HI
96823



Sen. Jarrett Keohokalole, Chair
Sen. Carol Fukunaga, Vice-Chair
Comm. on Commerce & Consumer Protection

Wednesday, March 27, 2024
9:30 AM in Room 229

RE: **HB2020 HD2 SD1** Energy Producers - **Oppose**

Dear Chair Keohokalole, Vice Chair Fukunaga & Committee Members,

The Chamber of Sustainable Commerce represents over 100 small businesses across the State of Hawaii that strive for a triple bottom line: people, planet and prosperity; we know Hawaii can strengthen its economy without hurting workers, consumers, communities or the environment.

We oppose HB2020 HD2 SD1, which expands the definition of "renewable energy producer" that is used to determine the Board of Land and Natural Resources' disposition of public lands to renewable energy producers.

While this bill mentions "greenhouse gases" three times, it ignores the increase of greenhouse gases the bill aims to generate using state lands. If Hawaii is going to meet the "State's zero emissions clean economy target to sequester more atmospheric carbon and greenhouse gases than emitted within the State by no later than 2045," then we need to address the elephants in the room.

Dedicating more state lands to burning trash (with all the fossil based plastic contained within), trees and other solid wastes will increase our greenhouse gas emissions. Our land should not be used to grow crops to burn, but used to grow crops to eat - so we can stop importing food using carbon emitting ships.

We urge this committee to keep its eye on the prize: we need to save the planet from overheating. Taking one step forward and two steps back will not save us. Stay focused on reducing greenhouse gases by removing greenhouse gas emitters from the definition of "Renewable Energy."



To: The Senate Committee on Commerce and Consumer Protection (CPN)
From: Sherry Pollack, 350Hawaii.org
Date: Wednesday, March 27, 2024, 9:30am

In opposition to HB2020 HD2SD1

Aloha Chair Keohokalole, Vice Chair Fukunaga, and members of the CPN committee,

I am Co-Founder of the Hawaii chapter of 350.org, the largest international organization dedicated to fighting climate change. 350Hawaii.org **opposes HB2020 HD2SD1** that expands the definition of "renewable energy producer" that is used to determine the Board of Land and Natural Resources' disposition of public lands to renewable energy producers.

Expanding opportunities for leasing state land without public auction is bad policy. But what is most concerning, this measure could potentially exacerbate emissions problems in our state, emissions that are currently ignored due to the state's flawed definition of "renewable energy."

While it is essential that the state quickly transition off of dirty fossil fuels, it is also essential that what we transition *to* are truly clean energy sources, sources that do not contribute to climate breakdown or local air pollution. Before expanding the definition of "renewable energy producer", we must first correct the critical errors contained within the definition of "renewable energy."

Case in point, burning biomass (typically trees) and trash incineration are considered renewable, despite that fact that these energy sources emit more harmful greenhouse gases than coal.¹ In addition, "hydrogen fuels derived primarily from renewable energy" are considered "renewable" ---*primarily* meaning also derived from fossil fuels, and ignoring the fact that hydrogen is a leaky gas that has a warming potential around 37.3 times greater than emitted CO₂ over a 20-year time period.²

Last year was the hottest year in human history, and this year is expected to be even hotter. Scientists have reported that, for the first time, global warming has exceeded the 1.5C warming "limit" across an entire year. In summary: **We are the first generation to feel the effect of climate change and the last generation who can do something about it.** If we don' get our act together quickly, we will leave our children and future generations a world that

¹ <https://www.energyjustice.net/files/biomass/woodybiomass.pdf> and <https://www.energyjustice.net/incineration/worsethancoal>

² <https://www.nature.com/articles/s43247-023-00857-8>

is increasingly unhealthy and uninhabitable. Bottom line, we must stop putting carbon into the atmosphere. But that won't happen with false climate solutions. Let's clean up our definition of 'renewable' so we can truly take the actions required in a climate crisis, and move towards a safe climate and a better future for all. Our children are counting on us.

Mahalo for the opportunity to testify.

Sherry Pollack
Co-Founder, 350Hawaii.org



Testimony Before the Senate Committee on Commerce and Consumer Protection

By David Bissell
President and Chief Executive Officer
Kaua'i Island Utility Cooperative
4463 Pahe'e Street, Suite 1, Līhu'e, Hawai'i, 96766-2000

Wednesday, March 27, 2024; 9:30 am
Conference Room #229 & Videoconference

House Bill No. 2020 HD2 SD1 - RELATING TO RENEWABLE ENERGY

To the Honorable Chair Jarrett Keohokalole, Vice Chair Carol Fukunaga, and Members of the Committee:

Kaua'i Island Utility Cooperative (KIUC) is a not-for-profit utility providing electrical service to more than 34,000 commercial and residential members.

KIUC supports this measure.

Over the past 10 years, KIUC has significantly increased its renewable generation. In 2010, KIUC's energy mix included 10% renewable. Renewable production now stands at roughly 60%. This large growth in renewable generation is not only well-ahead of established goals, it has significantly stabilized KIUC's rates: since May 2022, KIUC has posted the lowest residential electricity rates in the state and is currently lower than rates recorded in several localities on the mainland, such as San Diego.

Rate stabilization on Kaua'i is largely attributable to KIUC securing long-term power purchase agreements for utility-scale renewable projects. Solar facilities and battery storage systems connected to utility-scale solar facilities account for roughly two-thirds of our renewable production and are among our lowest priced energy sources. We believe that utility-scale projects owned or contracted by KIUC best serve our members, as they deliver electricity at prices that smaller, privately-owned projects could not achieve.

Franchised utility companies have a duty to serve all customers, the flip side is the utility needs to have the opportunity to serve all customers to avoid subsidization. We encourage a cautious and comprehensive approach to wheeling involving any non-franchise public utility operators. It is essential that any allowed wheeling include proper costing of services from the franchise utilities, which should include consideration of potentially stranded investments.

KIUC agrees with the language in this bill which prohibits the wheeling of energy from renewable energy producers over public utility lines that is not authorized by rule or order of the public utilities commission.

Mahalo for your consideration.



**Hawaiian
Electric**

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE AND CONSUMER PROTECTION**

**HB 2020 HD2, SD1
Relating to Renewable Energy**

Wednesday, March 27, 2024
9:30 AM
State Capitol, Conference Room 229

James Abraham
Associate General Counsel
Hawaiian Electric

Dear Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee,

My name is James Abraham and I am providing written testimony on behalf of Hawaiian Electric offering comments on HB 2020 HD2, SD1, Relating to Renewable Energy.

Hawaiian Electric appreciates the intent of the bill to try to enable more renewable development on State land; however, we have concerns that the bill would incentivize renewable development on State land that may not support the State as a whole in achieving its renewable goals, including the renewable portfolio standard. As Hawai'i works to achieve 100% renewable energy by 2045, land constraints will become a significant obstacle, as there is a limited amount of land viable for renewable energy projects. To help achieve renewable goals set forth in statute, we believe that renewable energy developed on State land should be made available for renewable RFPs that lower costs and increase renewable energy utilization for the broader utility customer base.

Hawaiian Electric appreciates the Committee's consideration of its comments on HB 2020 HD2, SD1. Thank you for this opportunity to testify.



Testimony to The Committee on Commerce and Consumer Protection
March 27, 2024
9:30 AM
Conference Room 229 & Videoconference
HB2020 SD1

Chair Keohokalole, Vice Chair Fukunaga and members of the committee,

Eurus Energy America Corporation is a division of Eurus Energy Holdings Corporation, which is owned by Toyota Tsusho Corporation and responsible for renewable energy development in the Americas. We have made a longstanding commitment to developing innovative renewable energy technologies to address climate change and to decrease the dependence on fossil fuels. As a developer of wind and solar energy projects, we support decarbonization through clean, reliable, and renewable resources, such as the solar farm we developed in Waianae. Eurus Energy America Corporation is also exploring other decarbonization technologies such as renewable hydrogen and renewable gas.

Eurus Energy America Corporation **supports HB2020 SD1 with comments and suggested amendments.**

We appreciate that this bill and the legislature recognize that renewable energy producers can produce renewable energy that will not utilize electric public utility lines and infrastructure. The energy can be utilized by non-electric public utilities and, additionally, can make renewable fuels for transportation and aviation.

The previous committee amended the bill to address the concerns of Hawaiian Electric, who wanted to ensure that “this bill does not enable **wheeling of electricity.**”

Additionally, the public utilities commission also suggested to amend the bill with the addition of “provided that nothing in this definition shall be construed to allow **wheeling of electricity** that is not authorized by law or rule approved by the public utilities commission.”

Recognizing the concerns regarding the **wheeling of electricity**, we would like to request this committee consider further clarification by amending this bill so there is clarity in the reference to wheeling:

Page 4 Lines 12-15:

provided that nothing in this definition shall be construed to allow wheeling **of electricity** over **electric** public utility lines or infrastructure that is not **otherwise** authorized by law or rule or order of the public utilities commission.”

Thank you for the opportunity to testify.

HB-2020-SD-1

Submitted on: 3/27/2024 8:41:00 AM

Testimony for CPN on 3/27/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
David Z. Arakawa	Testifying for Land Use Research Foundation of Hawaii	Support	Written Testimony Only

Comments:

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers, and utility companies. One of LURF’s missions is to advocate for reasonable, rational, and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii’s significant natural and cultural resources and public health and safety.

LURF appreciates the opportunity to express its **strong support for HB 2020. HD2, SD1, relating to Renewable Energy**, which clarifies and broadens the definition of "renewable energy producer or developer " that is used to determine the disposition of public lands to renewable energy producers by the Board of Land and Natural Resources. The revised definition is consistent with the definition of “renewable energy,” as defined in HRS section 269-91.

LURF also appreciate the portion of the bill that clarifies the restriction on wheeling over public utility lines or infrastructure to operations that are authorized by law, rule, or order of the Public Utilities Commission.

LURF **strongly supports HB 2020. HD2, SD1**, and we respectfully request your favorable consideration.

Thank you for the opportunity to testify.