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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
**SENATE COMMITTEES ON ENERGY AND INTERGOVERNMENTAL AFFAIRS
AND
AGRICULTURE & THE ENVIRONMENT**

Friday, March 21, 2025
1:00 PM
State Capitol, Conference Room 224 and Videoconference

Providing Comments on
SCR 110

REQUESTING THE HAWAII STATE ENERGY OFFICE TO CONDUCT A STUDY EVALUATING THE FEASIBILITY OF ESTABLISHING A GREEN BONDS PROGRAM IN THE STATE.

Chairs Wakai and Gabbard, Vice Chairs Chang and Richards, and members of the Committees, the Hawai'i State Energy Office (HSEO) respectfully provides comments on SCR 110, which requests HSEO to conduct a study evaluating the feasibility of establishing a green bonds program in the state.

The state's transition to 100% renewable energy by 2045, alongside the accelerated timeline for neighbor islands to achieve this goal by 2035, will require significant investment and innovative financing solutions, which could include the use of green bonds. Today, green bonds are used in Hawai'i to finance a variety of projects. As an example, Hawaiian Electric, issues green bonds to fund qualifying large grid-scale projects that add to Hawaii's RPS standards, including solar farms and battery energy storage systems connected to solar farms.¹ The Hawai'i Green Infrastructure

¹ Hawaiian Electric (n.d) Green Bond Framework. <https://www.hawaiianelectric.com/clean-energy-hawaii/our-clean-energy-portfolio/green-bond-framework>

Authority utilizes a form of green bonds (“GEMS bonds”) to help make clean energy investments accessible and affordable to consumers.²

HSEO supports the intent of this measure but believes that the evaluation of green bonds may benefit from a collaborative effort that includes agencies with broader expertise in finance and/or University partners. As an example, California’s Green Bond Market Development Committee consists of 27 academics, engineers, investors, public policy experts, attorneys, and climate scientists from the public, private, non-profit, and academic sectors.³ While HSEO can play a guiding role by providing insights into the specifics of energy needs and the broader energy ecosystem, ensuring that green bonds are leveraged to finance appropriate projects at the appropriate scale; HSEO believes a holistic evaluation would require a more diverse perspective and would take more time than a year to effectively evaluate the objectives of the feasibility study.

Thank you for the opportunity to testify.

² Hawai'i Green Infrastructure Authority (n.d.) About us. <https://gems.hawaii.gov/about-us/>

³ California Green Bond Market Development Committee. (n.d.). *California Green Bond Market Development Committee*. Goldman School of Public Policy. University of California, Berkeley. Retrieved March 15, 2025, from <https://gspp.berkeley.edu/research-and-impact/centers/cepp/projects/green-bonds-market-development-committee/ca-green-bond-market-development-committee>



**SENATE COMMITTEES ON ENERGY AND INTERGOVERNMENTAL AFFAIRS
and AGRICULTURE AND ENVIRONMENT**

MARCH 21, 2025

**SCR 110/SR 91, REQUESTING THE HAWAII STATE ENERGY OFFICE TO CONDUCT A STUDY
EVALUATING THE FEASIBILITY OF ESTABLISHING A GREEN BONDS
PROGRAM IN THE STATE**

POSITION: SUPPORT

Coalition Earth supports for SCR 110/SR 91, which requests the Hawai'i State Energy Office to conduct a study evaluating the feasibility of establishing a green bonds program.

According to a report produced by the Hawai'i Climate Change Mitigation and Adaptation Commission, global sea levels could rise more than three feet by 2100, with more recent projections showing this occurring as early as 2060. In turn, over the next 30 to 70 years, approximately 6,500 structures and 19,800 people statewide will be exposed to chronic flooding. Additionally, an estimated \$19 billion in economic loss would result from chronic flooding of land and structures located in exposure areas. Finally, approximately 38 miles of coastal roads and 550 cultural sites would be chronically flooded, on top of the 13 miles of beaches that have already been lost on Kaua'i, O'ahu, and Maui to erosion fronting shoreline armoring.

As we work to reduce carbon emissions and stave off the worst consequences of climate change, we must begin preparing for the adverse impact of sea level rise on our shores. We are now quantifying the speed at which we must act. We cannot continue to develop the 25,800-acre statewide sea level rise exposure area—one-third of which is designated for urban use—without risking massive structural damage and, potentially, great loss of life.

Just two years ago, we witnessed the impact of the climate emergency on our shores. On August 8, 2023, wildfires swept across Maui and killed at least 100 people, making it one of the nation's deadliest natural disasters. The spread of the fires has been attributed to climate change conditions, such as unusually dry landscapes and the confluence of a strong high-pressure system

to the north and Hurricane Dora to the south. The wildfires destroyed over 2,200 structures, including numerous residential buildings, historic landmarks, and school facilities. In September 2023, a report from the United States Department of Commerce estimated the total economic damage of the wildfires to be roughly \$5.5 billion. Investing in renewable energy generation could not be more urgent, given the growing threat of climate catastrophes to our island home.

Therefore, **our state should take steps to accelerate our transition to a clean energy economy and continue our fight against climate change, including by finding innovative financing mechanisms for conservation and climate change mitigation programs.** Some states, including California, have begun exploring the use of green bonds as a means of financing projects and programs related to the advancement of climate change, clean energy, and conservation goals. Green bonds—not to be confused with green fees, which are an entirely separate funding mechanism—are specifically designed to support sustainable and socially responsible projects, including investments in renewable energy, energy efficiency, clean transportation, waste management, natural resource conservation, water system preservation, marine ecosystem restoration, and green infrastructure.

The International Capital Market Association (ICMA) has developed green bond principles, which promote integrity and transparency in the development and deployment of green bond programs. The ICMA has outlined clear processes for public and private bond issuers to follow that emphasize transparency, information accuracy, and project funding integrity in the development of green bond financing initiatives. Using these principles, the ICMA has come up with a method of mapping of green bond-eligible project categories to public environmental objectives based on projected impact, which can be used as a framework to support bond financing determinations (see chart below).

June of last year, the state reached a settlement agreement in the landmark case of *Navahine v. Hawai'i Department of Transportation*, in which Gov. Josh Green acknowledged the constitutional rights of Hawai'i's youth to a life-sustaining climate and confirmed the commitment by HDOT to plan and implement transformative changes to Hawai'i's transportation system to achieve the state's goal of net-negative emissions by 2045. Additionally, on January 28th, Gov. Green issued an executive order to promote and expedite the development of renewable energy across our state.

Amidst uncertainty regarding renewable energy policy created by the Trump administration and concerns over grid stability across the state, the order accelerates renewable development for neighbor island communities to hit 100 percent renewable portfolio standards from 2045 to 2035, sets a statewide goal of 50,000 distributed renewable energy installations (such as rooftop solar and battery systems) by 2030, and directs state departments to streamline the permitting of renewable developments to reduce energy costs.

Given the Hawai'i State Energy's Office's specialized role in advancing our state's decarbonization programs and clean economy transformation, we are confident that HSEO has the analytical expertise necessary to produce the report called for by this resolution.

Table I: Mapping of the GBP-project categories to GBP-environmental objectives

GBP - Environmental objectives					
GBP-project categories	Climate change mitigation	Climate change adaptation	Biodiversity	Natural resource conservation	Pollution prevention and control
Renewable energy	● ● ●			●	●
Energy efficiency	● ● ●				●
Pollution prevention and control projects				●	● ● ●
Environmentally sustainable management of living natural resources and land use	●	● ●	● ● ●	● ● ●	
Terrestrial and aquatic biodiversity conservation projects		●	● ● ●	● ● ●	
Clean transportation	● ● ●			●	● ● ●
Sustainable water and waste water management		● ●	● ●	● ●	● ● ●
Climate change adaptation projects		● ● ●			
Eco-efficient and/or circular economy adapted products, production technologies and processes	● ●		●	● ● ●	●
Green buildings	● ● ●	●		● ● ●	●

Contribution to objective:

primary ● ● ● secondary ● ● tertiary ●

Sincerely,

Kris Coffield

Kris Coffield, Chairperson, Board of Directors

*Coalition Earth is a nongovernmental organization that works to preserve the well-being of people and our planet. We champion policies that advance climate resilience, clean energy, public health, and economic fairness for working families. **Contact us at info@coalitionearth.org.***