

DAVID Y. IGE
GOVERNOR



TESTIMONY BY:

JADE T. BUTAY
DIRECTOR

Deputy Directors
LYNN A.S. ARAKI-REGAN
DEREK J. CHOW
ROSS M. HIGASHI
EDWIN H. SNIFFEN

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

February 6, 2019
2:45 p.m.
State Capitol, Room 414

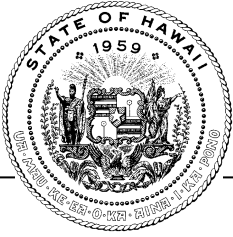
S.B. 609
RELATING TO CRITICAL INFRASTRUCTURE RESILIENCY.

Senate Committee(s) on Public Safety, Intergovernmental, and Military Affairs
& Energy, Economic Development and Tourism

The Department of Transportation (DOT) agrees that Hawaii must have infrastructures in place that can withstand natural disasters and emergencies.

The DOT **supports** this bill to establish a homeland security and resiliency council to identify electric grid and other critical infrastructure needs and provide recommendations for enhancing grid and critical infrastructure resiliency throughout the State.

Thank you for the opportunity to provide testimony.



**OFFICE OF PLANNING
STATE OF HAWAII**

DAVID Y. IGE
GOVERNOR

DIRECTOR
OFFICE OF PLANNING

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
Web: <http://planning.hawaii.gov/>

Statement of
LEO R. ASUNCION
Planning Program Administrator II, Office of Planning
before the
**SENATE COMMITTEES ON PUBLIC SAFETY, INTERGOVERNMENTAL, AND
MILITARY AFFAIRS AND ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM**
Wednesday, February 6, 2019
2:45 PM
State Capitol, Conference Room 414

in consideration of
SB 609
RELATING TO CRITICAL INFRASTRUCTURE RESILIENCY.

Chairs Nishihara and Wakai, Vice Chairs Wakai and Taniguchi and Members of the Senate Committees on Public Safety, Intergovernmental, and Military Affairs and Energy, Economic Development, and Tourism.

The Office of Planning (OP) provides the following comments on SB609, which establishes the homeland security and resiliency council to assess the resilience of the State's electric grid and other critical infrastructure to natural disasters and other emergencies.

OP agrees that there is a need for coordination among different agencies and levels of government, however we feel that the Administrator of the Hawaii State Energy Office should serve as the co-chair of the council rather than the Director of OP. The Hawaii State Energy Office provides the guidance and direction to achieve the State's clean energy agenda which is a needed expertise in this important council.

OP also defers to the State Department of Defense, Office of Homeland Security as to the implementation and refinement of this measure.

OP appreciates this bill provided that its passage does not replace or adversely impact priorities indicated in our Executive Budget.

Thank you for the opportunity to testify on this matter.

SB-609

Submitted on: 2/5/2019 2:02:12 PM

Testimony for PSM on 2/6/2019 2:45:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|--|---------------------------|---------------------------|
| Melodie Aduja | Testifying for O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i | Support | No |

Comments:

**TESTIMONY BEFORE THE SENATE COMMITTEES ON
PUBLIC SAFETY, INTERGOVERNMENTAL, AND MILITARY AFFAIRS
AND
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM**

S.B. 609

Relating to Critical Infrastructure Resiliency

Wednesday, February 6, 2019
2:45 pm, Agenda Item #2
State Capitol, Conference Room 414

Rodney Chong
Director, Grid Modernization
Hawaiian Electric Company, Inc.

Chair Nishihara and Chair Wakai, Vice Chair Wakai and Vice Chair Taniguchi, and
Members of the Committees:

My name is Rodney Chong and I am testifying on behalf of Hawaiian Electric
Company and its subsidiary utilities Maui Electric Company and Hawai'i Electric Light
Company **in support** of S.B. 609. Relating to Critical Infrastructure Resiliency.

This bill appropriately focuses on the need for holistic and systemic resiliency
planning to ensure the State is prepared for natural disasters and other emergencies.
The makeup of the proposed Homeland Security and Resiliency Council involves state
and county emergency planning agencies as well as owners and operators of various
critical infrastructure sectors in addition to electricity. This bill provides a systems-
thinking approach which recognizes and takes into account critical interdependencies
between sectors. Leadership of the Council under the state Office of Homeland
Security and the Office of Planning will help connect the dots between long range
strategy and tactical plans for resiliency preparedness and action. Also, the structure of

the Council is flexible such that participation or input of members of the public; experts in the field; county, state, or federal officials; or others as necessary. The Council will facilitate a fully vetted solution that considers all options, while assessing the capacity and availability of existing and new sources of revenue to support recommendations.

Finally, we believe that the work product of the Council that considers a fully vetted solution can help guide our future planning efforts such as the Integrated Grid Planning Process (IGP), to ensure electric grid resiliency is taken into consideration.

Accordingly, the Hawaiian Electric Companies support S.B. 609. Thank you for this opportunity to testify.



Testimony to the House Public Safety, Veterans & Military Affairs

Wednesday, February 6, 2019 2:15. pm.
Conference Room 414, State Capitol
RE: Senate Bill 609

Chairs Nishihara and Wakai, Vice Chair Taniguchi and Members of the Committees on Public Safety, Intergovernmental & Military Affairs and Energy, Economic Development and Tourism:

Hawaii Gas supports SB 609 and provides the following comments and requests an amendment to the bill.

SB 609 amends Chapter 128A, Hawaii Revised Statutes, to clarify the membership and duties for the State Homeland Security Council.

The U.S. Department of Homeland Security recognizes the interrelated segments: electricity, oil natural gas as part of the energy infrastructure system. Without a stable energy supply, health and welfare are threatened, and the economy cannot function.¹

We recommend the following amendment to this bill:

Section 2. 128A-____, Hawaii Revised Statutes:

(c) (4) Representatives of each gas utility company operating in the State.

Section 3. 128A-2, Hawaii Revised Statutes:

“Critical infrastructure Sector” means a sector whose assets, systems, and networks, whether physical or virtual, are vital to the state’s security, economic security, public health or safety, or any combination thereof, including but not limited to the water, environmental management, transportation, electrical energy, gas energy, fuel import and refining, and communications sectors.

There are a number of reasons why federal, state and local governments consider natural gas systems as a critical part of energy security.

The physical operations of natural gas production, transmission and distribution make the system inherently reliable and resilient. Natural gas pipelines are mostly underground and protected from weather and other elements. Disruptions to natural gas service are rare.

The inherent characteristics of natural gas are an important factor that cannot be overlooked.

¹ U.S. Department of Homeland Security, Cyber and Infrastructure Security Agency, Energy Sector, <https://www.dhs.gov/cisa/energy-sector>



Unlike electricity, natural gas moves by pressure. The gas moves through an underground transportation system that travel over distance. In sharp contrast to electricity, natural gas moves slowly through a pipeline and its flow can be controlled. This allows time for the pipeline operators to manage the flow of natural gas and to adjust their operations in the unlikely event of a disruption. Because of the pipeline operators' ability to manage natural gas on their transportation systems, a failure at a single point of the system typically has a localized effect,² which means that repair work can be isolated to the impacted area without having to disrupt or shut off the rest of the system.

Natural gas infrastructure and services exhibit significant resilience during times of disaster due in part to our system assets, underground infrastructure, and gas service to all major Hawaiian Islands. In 2018, Hawaii Gas provided assistance to residents affected by Kauai's historic flooding to regain their ability to have the ability to cook and have hot water for their sanitary needs. Our company also came to the aid of evacuees affected by the months-long Kilauea lava flows, with gas-powered water heating provided through Hope Services Shelters in Pahoehoe. Backup power generation is another important component of overall resilience. During preparations for Hurricane Lane and Tropical Storm Olivia, we prioritize the topping off of first responders and customers that provide critical services such as medical needs within the state.

Cyber and physical security are integral to the natural gas industry. Natural gas pipelines are considered critical infrastructure. Hawaii Gas in accordance with federal requirements must run simulated exercises in response/recovery efforts to help prepare for natural or man-made disasters. In addition, Hawaii Gas works closely with government agencies to share threat information and to coordinate emergency response actions.

On the cybersecurity front, the federal government partners with the natural gas industry on cyber security frameworks and initiatives to promote situational awareness, mitigating measures, and response/recovery.³ The federal government promotes Information Sharing and Analysis Centers (ISACs) and Information Sharing and Analysis Organizations (ISAOs) as a best security practice.

Thank you for the opportunity to testify on SB 609.

Sincerely,

Jeannine A. Souki
Director, Government Affairs and Communications
Hawaii Gas

² Natural Gas Council, "Natural Gas Systems: Reliable & Resilient;" July 2017.

³ Ibid.

STATE OF HAWAII
DEPARTMENT OF DEFENSE

TESTIMONY ON SENATE BILL 609
A BILL RELATED TO CRITICAL INFRASTRUCTURE RESILIENCY

PRESENTATION TO
THE SENATE COMMITTEES ON PUBLIC SAFETY, INTERGOVERNMENTAL, AND
MILITARY AFFAIRS, AND ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

BY

MAJOR GENERAL ARTHUR J. LOGAN
ADJUTANT GENERAL,
DIRECTOR OF THE HAWAII EMERGENCY MANAGEMENT AGENCY AND
DIRECTOR OF HOMELAND SECURITY

FEBRUARY 5, 2019

Chairs Nishihara and Wakai, Vice Chairs Wakai and Taniguchi, and Members of the Senate Committees on Public Safety, Intergovernmental, and Military Affairs, and Energy, Economic Development, and Tourism.

I am MG Arthur J. Logan, Adjutant General, Director of the Hawaii Emergency Management Agency and Director of Homeland Security. I am providing written testimony **SUPPORTING THE INTENT** of SB 609.

We strongly agree that ensuring our energy sector is resilient and can maintain grid resiliency from high consequence disasters is and will always be a priority. Without the energy sector being able to provide the essential services for our citizens in a timely manner, we will not be able to return to normalcy, thus delaying the recovery efforts needed for the state's economic and financial infrastructure.

We have several resiliency programs on-going, but I would like to bring attention to the Critical Energy Infrastructure Interdependencies (CEII) committee, which includes the Department of Energy, Department of Homeland Security, the U.S. Pacific Command and the State of Hawaii. Recently developed with US INDOPACOM and Department of Homeland Security is the Defensive Cyber Industries Consortium (DCIC) which encompasses several critical infrastructure sectors including electric, water, communications, maritime. Both measures are developing resiliency for the Energy Sectors as well as others supporting the lifelines to the Electric Grid.

We see an opportunity to coordinate and collaborate, thus taking advantage of the synergy of both initiatives. The Council mandate is to identify electric grid and other critical infrastructure needs and provide recommendations for enhancing grid and critical infrastructure resiliency throughout the state. The CEII Program is also tasked to identify a comprehensive, integrated critical risk assessment and mitigation approach that leverages current authorities and efforts to address mutual priorities of all parties. The DCIC is identifying cyber threats that impact each of the critical infrastructure.

We support this bill provided that its passage does not replace or adversely impact priorities indicated in Governor's Executive Budget. Thank you for accepting my testimony on this matter.

**SENATE COMMITTEE ON PUBLIC SAFETY, INTERGOVERNMENTAL,
AND MILITARY AFFAIRS**

SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

**Senator Clarence K. Nishihara, Chair
Senator Glenn Wakai, Vice Chair**

**Senator Glenn Wakai, Chair
Senator Brian T. Taniguchi, Vice Chair**

Senate Bill No. 609

**Testimony of Shannon Mears
Manager, Government Affairs
Young Brothers, LLC**

Chairs Nishihara and Wakai, Vice Chairs Wakai and Taniguchi, and Members of the Committees:

POSITION:

Thank you for the opportunity to testify on Senate Bill No. 609. On behalf of Young Brothers, LLC ("Young Brothers"), **I submit this testimony in support and offer two amendments.**

DESCRIPTION:

This measure would establish a Homeland Security and Resiliency Council to identify needs and recommend enhancements to improve the resiliency of the electric grid and other critical infrastructure.

RATIONALE:

Young Brothers supports the entirety of Senate Bill No. 609 and offers two amendments to ensure that the State of Hawaii is prepared to withstand natural disasters and other emergencies and to protect the State's critical infrastructure and, thereby, its citizens.

For further consideration, the Committees may want to include on the council representation for interisland water carriers that transport property. Interisland cargo transport services are a critical part of disaster recovery efforts. In the days following

Hurricane Iniki, Young Brothers delivered more than five barges carrying food, water, ice, fuel, generators, and equipment required to restore essential services.

Disaster recovery efforts require tremendous coordination with the electric utilities, Coast Guard, Army Corps of Engineers, state and county agencies and departments, FEMA, Red Cross, and others. One of the first priorities is to clear the harbors to allow shipments of humanitarian relief, equipment, and supplies to arrive on island.

Young Brothers plays a key role in resiliency planning and responding to natural disasters and other emergencies. As the State's only regulated water carrier, Young Brothers is responsible for all interisland freight transport. Young Brothers operates seven (7) terminals at commercial harbors across the State and conducts twelve (12) regulated roundtrip sailings every week from Honolulu to neighbor islands, making it one of the heaviest users of State harbors. Moreover, Young Brothers has the experience and resources to provide tug and barge services to deliver essential goods to large and small harbors across the State, including Molokai and Lanai.

For the foregoing reasons, Young Brothers respectfully requests that you consider adding two amendments to Senate Bill No. 609, as follows:

1. SECTION 2.

§128A- Homeland security and resiliency council; membership; duties.

....

(c) The president of the senate and the speaker of the house shall jointly invite as members of the council:

- (1) Representatives of each electric utility company operating in the State;**
- (2) Representatives of each telecommunications company serving at least one hundred thousand customers in the State; ~~[and]~~**
- (3) Representatives of each fuel importer and fuel refiner operating in the State~~[-];~~ and**
- (4) Representatives of each water carrier that provides transportation of property between points within the State, as defined in section 271G-5.**

2. SECTION 3.

““Critical infrastructure sector” means a sector whose assets, systems, and networks, whether physical or virtual, are vital to the State’s security, economic security, public health or safety, or any combination thereof, including but not limited to the water, environmental management, transportation, electrical energy, fuel import and refining, interisland transport of property by water, and communications sectors.

Thank you for the opportunity to testify.



P.O. Box 37158, Honolulu, Hawai`i 96837-0158
Phone: 927-0709 henry.lifeoftheland@gmail.com

COMMITTEE ON PUBLIC SAFETY, INTERGOVERNMENTAL, AND MILITARY AFFAIRS
Senator Clarence K. Nishihara, Chair
Senator Glenn Wakai, Vice Chair

COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM
Senator Glenn Wakai, Chair
Senator Brian T. Taniguchi, Vice Chair

DATE: Wednesday, February 6, 2019
TIME: 2:45 p.m.
PLACE: Conference Room 414
State Capitol
415 South Beretania Street

SB 609 Relating to Critical Infrastructure Resiliency. Comments

Aloha Chairs Nishihara and Wakai, Vice Chairs Wakai and Taniguchi, and Members of the Committee

Life of the Land is Hawai`i's own energy, environmental and community action group advocating for the people and `aina for 49 years. Our mission is to preserve and protect the life of the land through sound energy and land use policies and to promote open government through research, education, advocacy and, when necessary, litigation.

Life of the Land was appointed by the Public Utilities Commission to serve on the PUC Reliability Standards Working Group. Life of the Land has been accepted into 50 PUC dockets during the past 48 years, and has signed dozens of non-disclosure documents with the HECO Companies and their consultants.

Life of the Land is an intervenor in the HECO Companies docket on Integrated Grid Planning and serves on HECO's IGP Stakeholders Council. Life of the Land is also an intervenor in PUC dockets on Performance-Based Regulation, Distributed Energy Resources, Demand Response, and Microgrid Tariffs.

Life of the Land also has the only two active appeals of PUC decisions currently before the Hawai'i Supreme Court. Both deal with climate change. One deals with other issues as well.

The bill states, "Nothing in this section shall be deemed to delegate or detract in any way from the functions, powers, and duties conferred by law or ordinance on any state or county department or agency."

Thus, everything that the Council proposes that involves utilities will need to go through the Public Utilities Commission regulatory process.

"In carrying out its duties, the council, to the extent permitted by law, shall take appropriate measures to protect from public release any confidential or sensitive information if the release of that information could expose critical infrastructure to attack or damage."

This is also true at the Public Utilities Commission, which has established a multi-hierarchy standard for confidential data: (1) Commission Only (2) Commission and Consumer Advocate Only (3) Govt & Non Competitors like Life of the Land (4) Intervenors including Competitors such as HSEA, HREA, Blue Planet.

The Chairperson of the Public Utilities Commission, one of the three decision-makers who rule on all commission decisions and orders, will sit on the Council.

To not unduly delay the PUC through discovery, and to avoid any appearance of making decisions before the application is filed, the Council should hold public meetings, subject to Executive Sessions for confidential discussions, and allow intervenors in relevant PUC proceedings to sign confidentiality agreements to have greater access and influence at the Council.

Mahalo for the opportunity to testify

Henry Curtis
Executive Director

BOARD OF WATER SUPPLY

CITY AND COUNTY OF HONOLULU
630 SOUTH BERETANIA STREET
HONOLULU, HI 96843
www.boardofwatersupply.com




February 6, 2019

KIRK CALDWELL, MAYOR

BRYAN P. ANDAYA, Chair
KAPUA SPROAT, Vice Chair
KAY C. MATSUI
RAY C. SOON
MAX J. SWORD

ROSS S. SASAMURA, Ex-Officio
JADE T. BUTAY, Ex-Officio

ERNEST Y. W. LAU, P.E.
Manager and Chief Engineer

ELLEN E. KITAMURA, P.E.
Deputy Manager and Chief Engineer 

LATE

The Honorable Clarence K. Nishihara, Chair
and Members
Committee on Public Safety, Intergovernmental,
and Military Affairs
Hawaii State Capitol, Room 414
Honolulu, Hawaii 96813

The Honorable Glenn Wakai, Chair
and Members
Committee on Energy, Economic Development, and
Tourism
Hawaii State Capitol, Room 414
Honolulu, Hawaii 96813

Dear Chair Nishihara, Chair Wakai and Members:

Subject: Senate Bill 609 Relating to Critical Infrastructure Resiliency

The Board of Water Supply (BWS) supports the intent of Senate Bill (SB) 609. As a water utility serving almost one million residents and visitors, the BWS is designated as part of Hawaii's critical infrastructure by the Department of Homeland Security. The BWS recognizes that natural disasters and other emergencies can have a devastating impact on the health, safety and welfare of every resident and visitor on the Island of Oahu.

The proposed homeland security and resiliency council appears beneficial on the outset. The list of members is comprised from a broad spectrum of state and city agencies vital to the state's security, economy, public health or safety, including water, environment, and transportation. The scope could be challenging, nevertheless the BWS supports the intent to establish and enhance resiliency of critical infrastructure sectors.

Thank you for your consideration of our testimony on SB 609.

Very truly yours,



ERNEST Y. W. LAU, P.E.
Manager and Chief Engineer