



**STATE OF HAWAII**  
**DEPARTMENT OF HEALTH**  
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WRITTEN  
TESTIMONY ONLY

**Testimony COMMENTING on SB 2629, SD2, HD1  
RELATING TO THE ENVIRONMENT**

REPRESENTATIVE SYLVIA LUKE, CHAIR  
HOUSE COMMITTEE ON FINANCE

Hearing Date: 6/29/2020

Room Number: 329

1 **Fiscal Implications:** Economic and operational impacts on the sole coal-burning facility in the  
2 State of Hawaii and potential effects on Oahu electricity costs.

3 **Department Testimony:** The Department of Health (Department) offers the following  
4 comments on this bill that proposes to prohibit the issuance or renewal of an air pollution control  
5 permit to a coal-fired, electricity generating source beyond December 31, 2022.

6 The Department supports the bill's goals to reduce mercury and greenhouse gas (GHG)  
7 emissions in striving for clean and renewable energy for Hawaii. The bill aligns with long term  
8 power supply improvement plans for Oahu to convert to cleaner/renewable sources of energy such  
9 as photovoltaic and wind energy, and supports Hawaii's 100 percent Renewable Portfolio Standard  
10 and 2045 carbon neutrality goals. Coal naturally contains mercury, a neurotoxin which can make  
11 its way into the soil and water. The GHG emissions from burning coal contribute to climate change  
12 and sea level rise. Fugitive dust and particulate matter concerns related to the handling and  
13 processing of coal, as well as the transfer of coal ash to the PVT landfill, would also be eliminated  
14 with the passage of this bill.

15 The primary goal of the bill is to reduce emissions of mercury and greenhouse gas (GHG)  
16 emissions by preventing the use of coal. The single affected facility in Hawaii burns coal with  
17 low mercury levels and uses multiple technologies that includes particulate collection air  
18 pollution control systems to minimize mercury emissions to the atmosphere, demonstrating  
19 compliance with federal and state air quality standards. The level of mercury emissions per

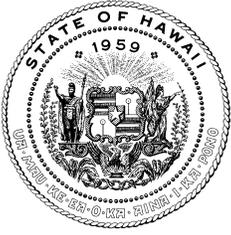
1 MWhr (Megawatt-hour) from this facility is ranked as the fourth highest among the largest  
2 power generating plants statewide. The facility also generates GHG emissions at a rate per  
3 MWhr of electricity production that is the fourth highest among Hawaii's largest power  
4 producers.

5 Clean Air Branch's regulatory review of any air permit application is based on a source  
6 meeting state and federal air standards and regulations. The review compares the proposed  
7 source emissions to a set of limits or requirements that set an objective standard (e.g., state and  
8 federal air quality standards) for approving or denying the permit. All facilities are required to  
9 demonstrate compliance with these standards before an air permit is approved. This bill would  
10 modify this approach and restrict permitting based on fuel type.

11 The Department supports replacement of Oahu's coal and other fossil fuel generated  
12 electrical power with cleaner sources of energy, and the Hawaiian Electric Power Supply  
13 Improvement Plan shows numerous additional clean energy sources (e.g., photovoltaic, wind,  
14 etc.) will be added to Oahu's power supply in the future. However, the Department cautions that  
15 should the energy shortfall from elimination of coal fueled power generation have to be met by  
16 other existing power plants on Oahu, there may be little or no reduction realized, as other large  
17 electric generating stations may emit comparable or even greater emissions.

18 **Offered Amendments:** None.

19 Thank you for the opportunity to testify on this measure.



# HAWAII STATE ENERGY OFFICE STATE OF HAWAII

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DAVID Y. IGE  
GOVERNOR

SCOTT J. GLENN  
CHIEF ENERGY OFFICER

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## Testimony of **SCOTT J. GLENN, Chief Energy Officer**

before the  
**HOUSE COMMITTEE ON FINANCE**  
Monday, June 29, 2020  
2:00 PM  
State Capitol, Conference Room 329

### In SUPPORT of **SB 2629, SD2, HD1** **RELATING TO THE ENVIRONMENT.**

Chair Luke, Vice Chair Cullen, and Members of the Committee, the Hawaii State Energy Office (HSEO) supports SB 2629, SD2, HD1, which prohibits, after 6/30/2020, the approval of a new or renewed power purchase agreement for electricity generated from coal; prohibits, after 6/30/2020, the modification of a coal power purchase agreement that proposes to extend the term or increase the amount of generation that is allowed to be produced under the existing agreement; and prohibits, after 12/31/2022, the issuance or renewal of covered source air permits for coal-burning electricity generation facilities.

The purpose of the HSEO is to promote energy efficiency, renewable energy, and clean transportation to help achieve a resilient, clean energy, decarbonized economy. Decarbonizing the electric sector is essential for Hawaii to achieving the zero emissions clean economy target set forth in Hawaii Revised Statutes (HRS) §225P-5 to sequester more atmospheric carbon and greenhouse gases than emitted within the State as quickly as practicable, but no later than 2045. On September 13, 2018, Governor Ige signed onto the Powering Past Coal Alliance, who came to an agreement that phasing out unabated coal power is one of the most important steps governments can take to tackle climate change and meet our commitment to keep global temperature increase well below 2°C, and to pursue efforts to limit it to 1.5°C. For Hawaii, stationary combustion, which includes fuel combustion emissions from electric power plants and petroleum refineries, represents roughly 40% of greenhouse gas emissions<sup>1</sup> in the State. In addition, the State is actively pursuing the decarbonization of ground transportation through

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<sup>1</sup> [https://health.hawaii.gov/cab/files/2019/12/2016-Inventory\\_Final-Report\\_December2019-1.pdf](https://health.hawaii.gov/cab/files/2019/12/2016-Inventory_Final-Report_December2019-1.pdf)

electrification. As ground transportation represents approximately 20% of the State's greenhouse gas emissions<sup>2</sup>, reducing the emission factor of electric generation is critical as the State's adoption of electric vehicles grows.

Hawaii is on a trajectory to retire coal fired generation. Adopting this legislation would further ensure that plans and efforts underway continue. The Hawaiian Electric Companies' (HECO) current Power Supply Improvement Plan (PSIP) was filed with the Public Utilities Commission (Commission) on December 23, 2016 in Docket No. 2014-0183. The Commission accepted the PSIP, with conditions, on July 14, 2017 by Decision and Order No. 34696. In the PSIP, HECO state their intention to allow the existing power purchase agreement for electricity generated from coal on Oahu to "expire without renewal" when it ends in 2022. HECO issued an RFP in response to Order No. 36474 issued on August 15, 2019 in Docket No. 2017-0352 to acquire dispatchable and renewable generation. In May 2020, HECO announced the selection of 16 projects, nine of which are on Oahu: [eight solar-plus-storage projects](#) and [one standalone storage project](#), totaling approximately 287 MW of generation and 1.8 GWh of storage. These projects in addition to the group of projects referred to as "Phase 1" and additional rooftop solar plus storage and other energy measures indicate that energy supply and contingency is expected to be sufficient for grid stability with the retirement and removal of the coal plant from the grid, however it is not unreasonable that questions remain about this.

Thank you for the opportunity to testify on this bill.

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<sup>2</sup> [https://health.hawaii.gov/cab/files/2019/12/2016-Inventory\\_Final-Report\\_December2019-1.pdf](https://health.hawaii.gov/cab/files/2019/12/2016-Inventory_Final-Report_December2019-1.pdf)

TESTIMONY OF  
JAMES P. GRIFFIN, Ph.D.  
CHAIR, PUBLIC UTILITIES COMMISSION  
STATE OF HAWAII

TO THE  
HOUSE COMMITTEE ON  
FINANCE

June 29, 2020  
2:00 p.m.

Chair Luke and Members of the Committee:

**MEASURE:** S.B. No. 2629 SD2 HD1

**TITLE:** RELATING TO THE ENVIRONMENT.

**DESCRIPTION:** Prohibits, after 6/30/2020, the approval of a new or renewed power purchase agreement for electricity generated from coal. Prohibits, after 6/30/2020, the modification of a coal power purchase agreement that proposes to extend the term or increase the amount of generation that is allowed to be produced under the existing agreement. Prohibits, after 12/31/2022, the issuance or renewal of covered source air permits for coal-burning electricity generation facilities.

**POSITION:**

The Public Utilities Commission (“Commission”) offers the following comments for consideration.

**COMMENTS:**

The HECO Companies have previously stated their intention to allow the existing power purchase agreement for electricity generated from coal on Oahu to “expire without renewal” when it ends in 2022 (see Power Supply Improvement Plan (“PSIP”) filed with the Commission on December 23, 2016 in Docket No. 2014-0183 at pages M-6 and M-34).

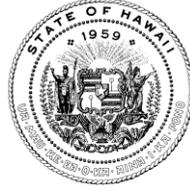
After the success of the HECO Companies’ Phase 1 request for proposals (RFP) for new renewable energy and storage projects across the HECO Companies’ service territories (Docket No. 2017-0352), the Commission directed the HECO Companies to expand Phase 2 substantially, in order to significantly boost the acquisition of renewable and

dispatchable generation and help to enable the retirement of the AES coal-fired plant on schedule.

The HECO Companies announced on May 11, 2020 that they had selected sixteen solar-plus-storage or standalone storage projects through their Phase 2 RFP. The HECO Companies stated that the projects “could produce 460 megawatts of solar energy and nearly 3 gigawatt-hours of energy storage on Oahu, Maui and Hawaii Island. That would increase the total solar megawatts on the Hawaiian Electric system by more than 50 percent.” The Phase 2 RFPs also included an RFP for Grid Services, which will utilize customer-sited distributed energy resources to help to replace the essential grid services currently provided by the AES facility.

Although the HECO Companies did not procure the full solicitation amount of 1,300 GWh of energy for Oahu, preliminary analysis suggests that the combination of the completed Phase 1 and Phase 2 RFPs will likely be sufficient to make up for the current output of the AES facility. In addition, the Commission has significantly expanded additional programs, including the community-based renewable energy (CBRE) program (which will be expanded to a 235 MW maximum), and intends to expand other distributed energy resources (DER) and energy efficiency efforts. These expansions will help to cover any potential energy shortfall.

Thank you for the opportunity to testify on this measure.



DAVID Y. IGE  
GOVERNOR

JOSH GREEN  
LT. GOVERNOR

**STATE OF HAWAII  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

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CATHERINE P. AWAKUNI COLÓN  
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI  
DEPUTY DIRECTOR

**Testimony of the Department of Commerce and Consumer Affairs**

**Before the  
House Committee on Finance  
Monday, June 29, 2020  
2:00 p.m.  
State Capitol, Conference Room 329**

**On the following measure:  
S.B. 2629, S.D. 2, H.D. 1, RELATING TO THE ENVIRONMENT**

**WRITTEN TESTIMONY ONLY**

Chair Luke and Members of the Committee:

My name is Dean Nishina, and I am the Executive Director of the Department of Commerce and Consumer Affairs' (Department) Division of Consumer Advocacy. The Department appreciates the intent of and offers comments on this bill.

The purposes of this bill are to prohibit the: (1) issuance or renewal of covered source air permits for coal-burning electricity generation facilities after 12/31/2022; and (2) approval of a new, modified, or renewed power purchase agreement for electricity generated from coal or the modification of a coal power purchase power agreement that extends the term or increases the amount of generation allowed under an existing agreement after 6/30/2020.

This bill may not be necessary because, as recognized in section 1, the term of Hawaiian Electric Company's power purchase agreement with the AES Hawaii Power Plant will conclude in 2022, and there are no known plans to extend the term of the

agreement or to increase the amount of generation that might be purchased before or after the termination of the existing contract. Further, Hawaiian Electric Company has publicly stated that it does not intend to extend the contract beyond the 2022 expiration. In support of that, Hawaiian Electric Company has initiated plans to replace that generation capacity through other cleaner sources, such as the utility-scale combined photovoltaic and storage projects selected and approved by the Public Utilities Commission (Commission) as part of phase 1 of Docket No. 2017-0352, as well as the recently selected projects that are part of phase 2 and pending Commission approval of that same docket. In addition, the Commission has continued to ensure that other sources of clean energy, such as distributed energy resources, are being pursued to transition Hawaii away from fossil fuels such as coal. The Commission has made clear that Hawaiian Electric must aggressively seek to pursue Hawaii's renewable portfolio standard goals. This guidance was explicit in the Commission's guidance for both phases 1 and 2 of Docket No. 2017-0352, such as where the Commission required Hawaiian Electric to seek bids for a larger amount of capacity for Oahu to ensure that the new projects could replace the capacity that the AES Hawaii Power Plant currently provides. Thus, it is exceedingly unlikely that Hawaiian Electric Company or any other regulated electric utility company would pursue a new, modified, or renewed power purchase agreement with a coal facility of which the Consumer Advocate would recommend approval.

If, however, the Legislature wishes to pursue this measure to indicate Hawaii's commitment to clean energy, the Department suggests modifying the language to make clear that the Commission should not approve: (1) any power purchase agreement for a facility that relies entirely or partly on coal as a fuel source; or (2) the construction or purchase of any such facility. If this modification is not adopted, the utility could purchase the existing facility or construct its own coal burning facility. The Legislature should also consider whether any housekeeping measures would be appropriate, such as the provision in Hawaii Revised Statutes section 243.35 that allows an independent power producer to pass on the coal tax to a purchasing utility company, to eliminate

other statutory provisions that might facilitate a coal-burning electricity generating facility.

The Department also recommends that the Legislature require Hawaiian Electric Company to provide a report prior to the next legislative session to: (1) outline the progress on the procurement of cost-effective renewable energy for Oahu, such as both phases from Docket No. 2017-0352 and distributed energy resources; and (2) assess whether sufficient capacity and reliability will be projected to be in place at the time the AES Hawaii Power Plant power purchase agreement is terminated, to ensure that Oahu will continue to have affordable and reliable electric services.

Thank you for the opportunity to testify on this bill.



**Hawaiian  
Electric**

**TESTIMONY BEFORE HOUSE  
COMMITTEE ON FINANCE**

**S.B. 2629, SD2, HD1**

**Relating to the Environment**

Monday, June 29, 2020

2:00 p.m., Agenda

State Capitol, Conference Room 329

Rebecca Dayhuff Matsushima  
Director, Renewable Acquisition  
Hawaiian Electric Company, Inc.

Dear Chair Luke, Vice Chair Cullen, and Members of the Committee,

My name is Rebecca Dayhuff Matsushima and I am testifying on behalf of Hawaiian Electric Company, Inc. (Hawaiian Electric) offering comments regarding S.B. 2629, SD2, HD1, Relating to the Environment. Hawaiian Electric currently has one contract for an independent power producer (AES Hawaii) to provide coal-fired generation and the contract for this facility is set to expire in September 2022. The Company has no plans to extend or renew the contract for this facility. From time to time the Company may have a need to amend that contract as is normal in the course of a contract that spans decades.

Thank you for this opportunity to testify.

**SB-2629-HD-1**

Submitted on: 6/28/2020 10:18:14 AM

Testimony for FIN on 6/29/2020 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Leimomi Khan	Democratic Party of Hawaii, Hawaiian Affairs Caucu	Support	No

Comments:

**The Hawaiian Affairs Caucus of the Democratic Party of Hawaii (DPH) strongly supports SB2629 SD2 HD1 to end the use of coal in Hawai'i by 2023. The measure is in line with the DPH's platform on the Environment and on Combating Climate Change and Building a Clean Energy Economy, and Secure Environmental Justice. Passing this bill brings Hawai'i closer towards our clean energy goals and helps to address environmental justice issues, as the burning of coal and dumping of toxic coal ash unfairly burden O'ahu's westside communities. The last coal-fired power plant has a contract that is already set to expire in 2022. Please support SB2629 SD2 HD1 and make Hawai'i coal-free by 2023.**

Respectfully,

Juanita Brown Kawamoto, Luna Ho'omalua (Chair), Hawaiian Affairs Caucus, DPH



Young Progressives Demanding Action  
P.O. Box 11105  
Honolulu, HI 96828

June 29, 2020  
2:00 PM

**TO: House Committee on Finance**  
**RE: Testimony in Support of SB2629 SD2 HD1**

Aloha Chair Luke, Vice Chair Cullen, Members of the House Committee on Finance,

My name is Jun Shin. I am a Junior at the University of Hawai‘i at Mānoa, and I serve as the Environmental Justice Action Committee Chair for the Young Progressives Demanding Action (YPDA). YPDA advocates for public policies that reflect the values of young people throughout the State of Hawai‘i. One of those values is that in order to meaningfully deal with the climate crisis, we need to divest our society completely from fossil fuels, including coal. YPDA is in **Support of SB2629 SD2 HD1**, Relating to the Environment. We appreciate the committee’s willingness to keep the discussion going on this important issue for the future of our planet.

Burning coal is harmful to the environment. It contributes heavily to greenhouse gas emissions and as the Union of Concerned Scientists have pointed out, “When coal is burned it releases a number of airborne toxins and pollutants. They include mercury, lead, sulfur dioxide, nitrogen oxides, particulates, and various other heavy metals. Health impacts can range from asthma and breathing difficulties, to brain damage, heart problems, cancer, neurological disorders, and premature death.”<sup>1</sup> This is not only an environmental issue, but a public health issue as well. In the face of a climate crisis, the current model of doing business is simply not sustainable.

The power purchase agreement between AES Hawaii Power Plant (Our last coal power plant) and Hawaiian Electric Company is set to expire in 2022. AES had come out in May and agreed to [reduce its carbon-emissions](#), let's hold them to this statement by passing this measure and putting us on the right track. We need to let that agreement naturally come to an end as originally intended and begin 2023 right. Hawai‘i is already setting an example with its goal of being powered by 100% renewable energy by 2045. AES can help make a meaningful contribution to our future by following through on their commitment to scale down their coal-burning, and turn to clean energy projects that will actually work with and not circumvent

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<sup>1</sup> <https://www.ucsusa.org/clean-energy/coal-impacts>

communities. If we are to take on climate change and its catastrophic effects on our society, economy, and natural resources, clean and renewable energy will be very important.

While talking about clean energy and the environment, we simply cannot forget the social and economic justice components involved in this permit application. Toxic coal ash is being sent to the PVT Landfill in Nānākuli, joining a stockpile of other materials burned by the AES Hawaii Power Plant. This creates a public health crisis for both the plant workers and residents, which becomes even more concerning as the PVT Landfill is only 750ft from residential areas and schools where people raise families and go to learn. The West Side cannot continue to be unfairly burdened, and we need to support removing these polluters. These communities must not be left behind, and their concerns for their surrounding environment should not be ignored. A green future is one in which disenfranchised communities are able to fully participate in and prosper in a transition to a clean and green economy.

Young Progressives Demanding Action is in **Support** of **SB2629 SD2 HD1**. Please pass it out of your committee.

Mahalo for the opportunity to testify,

Jun Shin,  
Environmental Justice Action Committee Chair  
Young Progressives Demanding Action (YPDA)  
Cell: 808-255-6663  
Email: junshinbusiness729@gmail.com  
CC: action@ypdahawaii.org

**SB-2629-HD-1**

Submitted on: 6/27/2020 3:14:09 PM

Testimony for FIN on 6/29/2020 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Climate Protector	Climate Protectors Coalition	Support	No

Comments:

The Honorable Chair Luke, Vice Chair Cullen, and members of the House Committee on Finance:

S.B.2629 SD2, HD 1

Position: **Strong Support!**

The Climate Protectors Coalition **strongly supports SB2629 SD2 HD1!**

We are a new group inspired by the Mauna Kea Protectors but focused on reversing the climate crisis. As a tropical island State, Hawaii is and will be among the first places harmed by the global climate crisis, with more intense storms, loss of protective coral reefs, rising sea levels, and species eradication. We must do all we can to reduce our carbon footprint and become at least carbon neutral as soon as possible.

One important way to reduce future carbon emissions and maintain Hawai'i's movement to clean energy is by banning the use of coal in electricity generation in Hawaii after 2022. The HD1 would achieve that important goal. Please pass HD. Mahalo!



## HOUSE COMMITTEE ON FINANCE

June 29, 2020, at 2:00 PM

Room 329

(Testimony is 2 pages long)

### TESTIMONY IN SUPPORT OF SB 2629 SD2 HD1

Aloha Chair Luke, Vice Chair Cullen, and members of the Finance Committee:

Blue Planet Foundation **supports SB 2629 SD2 HD1**, committing Hawai'i to a future free of climate-changing coal burning by prohibiting the permitting of coal power plants after 2022. This measure ensures that Hawai'i stays on track to achieve a 100% clean energy future while signaling to the globe that Hawai'i is serious about its carbon pollution.

## COAL IS A CLIMATE AND HEALTH DISASTER

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Coal is the single largest contributor to the human-made increase of carbon dioxide in the atmosphere. Coal, which is primarily carbon, remains a major fuel in global energy systems, accounting for almost 40% of electricity generation and more than 40% of energy-related carbon dioxide emissions.<sup>1</sup> In Hawai'i, the coal-fired power plant on O'ahu (the only coal power plant in the state) is the second largest point source of the state's carbon dioxide emissions. **In 2018, the coal power plant released nearly 3.1 billion pounds of carbon pollution into the atmosphere.**<sup>2</sup>

According to the International Energy Agency, to have a 50% chance of staying within 2 degrees Celsius of global warming (the high end of the temperature target set by the Paris Climate Agreement), only zero carbon utilities and infrastructure should be developed going forward, and coal should be completely eliminated. The burning of coal is simply incompatible with a stable climate and continued civilization.

When coal is burned it releases a number of airborne toxins and pollutants. These include mercury, lead, sulfur dioxide, nitrogen oxides, particulates, and various other heavy metals. Although limits set by the Environmental Protection Agency (EPA) have helped prevent some of these toxic emissions, the future of these protections remains unclear under the current White House administration. Health impacts from coal emissions include asthma and breathing difficulties, brain damage, heart problems, cancer, neurological disorders, and premature death. **Globally, coal is estimated to cause 800,000 premature deaths every year.**

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<sup>1</sup> International Energy Agency, *Coal 2019*, <https://www.iea.org/reports/coal-2019>.

<sup>2</sup> EPA, *Emissions & Generation Resource Integrated Database (eGRID)*, <https://www.epa.gov/energy/emissions-generation-resource-integrated-database-egrid>.

## THE GLOBE IS WAKING UP TO THE DANGERS OF COAL

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Given the extreme dangers of coal to climate and health, other nations are taking action.

**Twenty countries have pledged to phase out coal power before 2030**, including Angola, Austria, Belgium, Britain, Canada, Costa Rica, Denmark, El Salvador, Fiji, Finland, France, Italy, Luxembourg, the Marshall Islands, Mexico, the Netherlands, New Zealand, Niue, Portugal, and Switzerland. In 2013, the head of the UN climate agency advised that most of the world's coal reserves should be left in the ground to avoid catastrophic global warming.

## COAL PLAYS NO ROLE IN HAWAI'I'S CLEAN ENERGY FUTURE

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Carbon-intensive coal power is antithetical to Hawai'i's 100% clean energy future. Burning coal is at odds with Hawai'i's pledge to achieve the Paris Climate Agreement objectives and to achieve carbon neutrality by 2045. None of the current utility plans to achieve Hawai'i's 100% renewable portfolio standard include coal-fired electricity. Further, the large coal-burning power plant is slow to start and difficult to ramp its electricity production up and down, making it challenging to pair with a small and increasingly variable island electricity grid.

The current power purchase agreement between the coal power plant's owner, AES, and Hawaiian Electric is set to expire in 2022. The utility currently has no plans to extend or renew the contract. What's more, AES has committed to transitioning to low-carbon sources, pledging to reduce the carbon intensity of its power plants 70% by 2030.

Hawai'i's renewable energy transition is happening at lower costs than previously anticipated. Last year, Hawaiian Electric submitted power purchase contracts to the Public Utilities Commission for solar plus storage projects that will provide electricity at nearly half the cost of traditional fossil fuel power plants. **The two lowest cost energy projects—both providing stored solar energy at 8 cents per kilowatt-hour—are owned by coal-plant owner AES.**

## OTHERS ARE FOLLOWING HAWAI'I'S LEAD ON CLEAN ENERGY

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Hawai'i has emerged as a leader on clean energy policy, adopting a number of bold, first-in-the-nation targets that have helped inspire other states to take similar action. Hawai'i was the first state in the country to adopt a 100% renewable energy requirement for electricity by 2045 (Act 97 of 2015), and California adopted a similar law in 2018. Hawai'i has also pledged to achieve carbon neutrality by 2045 (Act 15 of 2018), another first in the nation. **Hawai'i has the opportunity to be a national leader by setting an expiration date on coal in Hawai'i.**

We respectfully request that the Committee pass SB 2629 SD2 HD1.

Thank you for the opportunity to testify.



# SIERRA CLUB OF HAWAI'I

## HOUSE COMMITTEE ON FINANCE

June 29, 2020

2:00 PM

Room 329

### In SUPPORT of SB2629 SD2 HD1

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Aloha Chair Luke, Vice Chair Cullen, and members of the committee,

On behalf of our 20,000 members and supporters, the Sierra Club of Hawai'i **supports SB2629**, which prohibits the issuance or renewal of covered source air permits for coal-burning electricity generation facilities after 12/31/2022 and prohibits the approval of a new or renewed power purchase agreement for electricity generated from coal after 6/30/2020.

Not only is burning coal responsible for one third of US carbon emissions, but it is also leading to as many as 13,000 premature deaths every year and more than \$100 billion in annual health costs.<sup>1</sup> Several principal emissions result from coal combustion, including<sup>2</sup>:

- Sulfur dioxide (SO<sub>2</sub>), which contributes to acid rain and respiratory illnesses
- Nitrogen oxides (NO<sub>x</sub>), which contribute to smog and respiratory illnesses
- Particulates, which contribute to smog, haze, and respiratory illnesses and lung disease
- Carbon dioxide (CO<sub>2</sub>), which is the primary greenhouse gas produced from burning fossil fuels (coal, oil, and natural gas)
- Mercury and other heavy metals, which have been linked to both neurological and developmental damage in humans and other animals
- Fly ash and bottom ash, which are residues created when power plants burn coal

Hawai'i has only one coal-fired power plant remaining in service, it is the AES plant on O'ahu which has a power purchase agreement that is already set to expire in 2022. Passage of this bill ensures that Hawai'i will be "coal-free by 2023", solidifying plans to transition Hawai'i from dirty energy and encouraging AES and Hawaiian Electric Company (HECO) to redirect its focus to clean energy and battery storage projects. We know that both AES and HECO are capable and pursuing large-scale clean energy projects throughout the state. Recently in April 2019, HECO solicited 900 megawatts of clean energy RFP's, including solar and wind generation and

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<sup>1</sup> <https://content.sierraclub.org/coal/about-the-campaign>

<sup>2</sup> [https://www.eia.gov/energyexplained/index.php?page=coal\\_environment](https://www.eia.gov/energyexplained/index.php?page=coal_environment)

renewables plus storage, in anticipation of the AES coal plant closure in 2022. Pending approval from the Public Utilities Commission, the first projects would come online by 2022.<sup>3</sup>

The closure of the coal plant is also an environmental justice and equity issue. Toxic coal ash produced for all O‘ahu ratepayers is currently being dumped at the PVT Landfill in Nānākuli, exposing workers and nearby communities to a wide range of health risks. Public health needs to be a priority and no single community should suffer the burden of our energy or waste management facilities. It is time to end the use of coal in Hawai‘i to address this burden on our westside neighbors.

SB2629 SD2 HD1 furthers Hawai‘i’s commitment to 100% clean energy by 2045 and sets another example of the legislature’s leadership to mitigate the harmful effects of climate change in a way that is equitable and just.

Thank you very much for this opportunity to provide testimony in **support of SB2629**.



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www.lwv-hawaii.com | 808.531.7448 | voters@lwv-hawaii.com

COMMITTEE ON FINANCE  
June 29, 2:00 p.m., Room 329

SB 2629 SD2 HD1 RELATING TO THE ENVIRONMENT

**TESTIMONY**

Piilani Kaopuiki, President, League of Women Voters of Hawaii

Chair Luke, Vice-Chair Cullen, and Committee Members:

**The League of Women Voters of Hawaii opposes SB 2629 SD2, HD1, because of its process problems. The bill contains two distinct subjects, instead of a single subject as required by law. The SD2 version of this bill did not meet Constitutional requirements for three readings in the House, receiving no readings in the House; the HD1 version of the bill did not meet Constitutional requirements for three readings in the Senate, receiving no readings in the Senate. We offer comments about the content of this bill.**

Regarding the original SB2629, we strongly support the intent of this version, which required the Department of Land and Natural Resources and Department of Budget and Finance to establish and administer a state employee air travel carbon offset program. Presumably the plan was to purchase commercially available offsets on behalf of Hawaii's official travelers. For more than a decade the League has supported using market solutions like this to decarbonize our planet. The Senate transmitted the SD2 version of this measure to the House on March 3, 2020.

**Too bad the members of the House never had a chance to evaluate this important carbon offset bill**, to make a judgment about whether the SD2 would be effective in abating emissions and whether it could be successfully implemented. Sometime between March 10 and March 13, the House Energy and Environmental Protection Committee, replaced the bill transmitted to them by the Senate with an entirely new measure, an HD 1 version which proposed eliminating the use of coal in Hawaii for energy production. True, the HD1 version was posted online on March 13, but what of the opportunity for House members to discuss and debate the carbon offset bill? No chance.

Not surprisingly, many environmental organizations and environmentally conscious individuals also supported the HD1, because like the League of Women Voters we have (for more than a decade) opposed the use of coal fired power for electricity, favoring renewable resources. So far, the House has ignored the problem of Senators having no opportunity to review this coal ban bill, but we urge your Committee to step up on behalf of the House and defer this measure. That would be in keeping with your Constitutional oath to uphold Article III, Section 14 of our State Constitution, concerning each legislative bill having a single subject and each bill having three readings in the Senate, three readings in the House.

Thank you for the opportunity to submit testimony.



183 Pinana St., Kailua, HI 96734 • 808-262-1285 • [info@350Hawaii.org](mailto:info@350Hawaii.org)

To: The House Committee on Finance  
From: Sherry Pollack, Co-Founder, [350Hawaii.org](http://350Hawaii.org)  
Date: June 29, 2020, 2pm

**In strong support of SB2629 SD2 HD1**

Aloha Chair Luke, Vice Chair Cullen, and members of the Finance Committee:

I am Co-Founder of the Hawaii chapter of 350.org, the largest international organization dedicated to fighting climate change. [350Hawaii.org](http://350Hawaii.org) **strongly supports** putting an end to the use of coal in Hawaii.

Coal has led the planet to the brink of climate catastrophe. We now know it has been the primary contributor to our current climate crisis. Furthermore, burning coal on Oahu releases a number of airborne toxins and pollutants that are plaguing the health of our westside communities. This must end and the sooner the better. With so many local sources of zero-emission energy, Hawaii is long overdue to be rid of this dirty, dangerous fuel.

Stopping coal use will be a sizable, welcome step toward our 100% zero-emissions energy goals, as will eliminating the emissions caused by shipping it here.

Please take coal off the list of dirty, fossil fuel emission sources Hawaii has to worry about.

Sherry Pollack  
[350Hawaii.org](http://350Hawaii.org)

**SB-2629-HD-1**

Submitted on: 6/27/2020 4:08:17 PM

Testimony for FIN on 6/29/2020 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Angela Huntemer	Individual	Support	No

Comments:

Aloha Chair Luke, Vice Chair Cullen, and members of the Finance Committee,

I strongly support SB2629 HD1 to end the use of coal in Hawai'i by 2023. Passing this bill brings Hawai'i closer towards our clean energy goals and helps to address environmental justice issues, as the burning coal and dumping of toxic coal ash unfairly burdens O'ahu's westside communities. The last coal fired power plant has a contract that is already set to expire in 2022. Please support SB2629 HD1 and make Hawai'i coal-free by 2023.

Thank you, Angela Huntemer, MEd, Kahuku

**SB-2629-HD-1**

Submitted on: 6/27/2020 4:54:35 PM

Testimony for FIN on 6/29/2020 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Benton Kealii Pang, Ph.D.	Individual	Support	No

Comments:

Aloha Chair Luke, Vice Chair Cullen, and members of the Finance Committee,

As a native Hawaiian, I strongly support SB2629 HD1 to end the use of coal in Hawai'i by 2023. Passing this bill brings Hawai'i closer towards our clean energy goals and helps to address environmental justice issues, as the burning coal and dumping of toxic coal ash unfairly burdens O'ahu's westside communities. The last coal-fired power plant has a contract that is already set to expire in 2022. Please support SB2629 HD1 and make Hawai'i coal-free by 2023.

Mahalo.

Benton Kealii Pang, Ph.D.

**From:** [Debbie Ward](#)  
**To:** [FINtestimony](#)  
**Subject:** Support for SB2629 HD1- Coal Free Hawai'i  
**Date:** Saturday, June 27, 2020 11:28:50 PM

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Aloha Chair Luke, Vice Chair Cullen, and members of the Finance Committee,

I strongly support SB2629 HD1 to end the use of coal in Hawai'i by 2023. Passing this bill brings Hawai'i closer towards our clean energy goals and helps to address environmental justice issues, as the burning coal and dumping of toxic coal ash unfairly burdens O'ahu's westside communities. The last coal fired power plant has a contract that is already set to expire in 2022. Please support SB2629 HD1 and make Hawai'i coal-free by 2023.

Thank you,

Deborah Ward

**From:** [Susan Chouljian](#)  
**To:** [FINtestimony](#)  
**Subject:** Support for SB2629 HD1- Coal Free Hawai'i  
**Date:** Saturday, June 27, 2020 2:42:57 PM

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Aloha Chair Luke, Vice Chair Cullen, and members of the Finance Committee,

I strongly support SB2629 HD1 to end the use of coal in Hawai'i by 2023. Passing this bill brings Hawai'i closer towards our clean energy goals and helps to address environmental justice issues, as the burning coal and dumping of toxic coal ash unfairly burdens O'ahu's westside communities.

The last coal fired power plant has a contract that is already set to expire in 2022. Please support SB2629 HD1 and make Hawai'i coal-free by 2023.

Thank you for your leadership,

Sue Chouljian

**From:** [Dylan Ramos](#)  
**To:** [FINtestimony](#)  
**Subject:** Support for SB2629 HD1- Coal Free Hawai'i  
**Date:** Saturday, June 27, 2020 3:06:36 PM

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Aloha Chair Luke, Vice Chair Cullen, and members of the Finance Committee,

I strongly support SB2629 HD1 to end the use of coal in Hawai'i by 2023. Passing this bill brings Hawai'i closer towards our clean energy goals and helps to address environmental justice issues, as the burning coal and dumping of toxic coal ash unfairly burdens O'ahu's westside communities. The last coal fired power plant has a contract that is already set to expire in 2022. Please support SB2629 HD1 and make Hawai'i coal-free by 2023.

Thank you,  
Dylan Ramos

**From:** [Leif Erickson](#)  
**To:** [FINtestimony](#)  
**Subject:** Support for SB2629 HD1- Coal Free Hawai'i  
**Date:** Saturday, June 27, 2020 8:57:24 PM

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Aloha Chair Luke, Vice Chair Cullen, and members of the Finance Committee, I strongly support SB2629 HD1 to end the use of coal in Hawai'i by 2023. Passing this bill brings Hawai'i closer towards our clean energy goals and helps to address environmental justice issues, as the burning coal and dumping of toxic coal ash unfairly burdens O'ahu's westside communities. The last coal fired power plant has a contract that is already set to expire in 2022. Please support SB2629 HD1 and make Hawai'i coal-free by 2023. Thank you, Leif Erickson.

Leif Erickson



AMERICANS FOR DEMOCRATIC ACTION

OFFICERS	DIRECTORS			MAILING ADDRESS
John Bickel, President	Melodie Aduja	Chuck Huxel	Stephen O'Harrow	P.O. Box 23404
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Marsha Schweitzer, Treasurer	Ken Farm	Jenny Nomura		Hawai'i 96823
Doug Pyle, Secretary	Stephanie Fitzpatrick	Dave Nagaji		

June 28, 2020

**LATE**

TO: Honorable Chair Luke 7 FIN Committee Members

RE: SB 2629 SD2 HD1 Relating to the Environment

Support for hearing on June 29

Americans for Democratic Action is an organization founded in the 1950s by leading supporters of the New Deal and led by Patsy Mink in the 1970s. We are devoted to the promotion of progressive public policies.

We support SB 2629 SD2 HD1 as it would prohibit the issuance of covered source air permits for coal-burning electricity generation facilities and prohibits the approval of a new, modified, or renewed power purchase agreement for electricity generated from coal. Although there is not a lot of coal burned in our state, we should still support a no-coal policy as coal is both dirty and generates climate change carbon emissions.

Thank you for your favorable consideration.

Sincerely,

John Bickel President





**Written Statement of Elemental Excelerator  
before the House Committee on Finance**

**In consideration of SB 2629 SD2 HD1  
RELATING TO THE ENVIRONMENT**

June 29, 2020

**Aloha Chair Luke, Vice-Chair Cullen, and Members of the House Committee on Finance:**

Elemental Excelerator respectfully submits our **support** of SB 2629 SD2 HD1, which eliminates the use of coal in Hawai'i for electricity production.

Elemental Excelerator is a Honolulu-based non-profit organization that supports climate positive startup companies that are helping solve Hawai'i's most urgent environmental problems. Each year, we select 15-20 companies annually that best fit our mission and fund each company up to \$1 million. To date, we have awarded \$36 million to 99 companies resulting in 36 demonstration projects in Hawai'i & the Asia Pacific.

In April 2018, Elemental Excelerator commissioned a study entitled *Transcending Oil: Hawai'i's Path to a Clean Energy Economy*. The study found that in Hawai'i, transitioning to renewable energy is cheaper than sticking with fossil fuels like oil and coal. The faster we go, the cheaper it will be.

**We support SB 2629 SD2 HD1 for the following reasons:**

1. **It aligns with Hawai'i's commitment to the Paris Climate Accord:** While Hawai'i is on track to meet its share of America's 2025 target under the Paris Agreement, the state needs to accelerate its clean energy transition and phase off its use of fossil fuels like coal and oil in order to maintain progress towards the Paris Agreement's long-term goals.
2. **It will increase investments in clean energy:** Transitioning off fossil fuels like coal can bring an additional \$2.9 billion in new investments for our state.<sup>1</sup>
3. **It will provide thousands of new good-paying jobs:** By transitioning to clean energy and off of fossil fuels like coal, Hawai'i can create as many as 3,500 additional jobs that pay \$3-7 more per hour than Hawai'i's \$20 median wage.<sup>2</sup>

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<sup>1</sup>Larsen, J., Mohan, S., Herndon, W., Marsters, P., & Pitt, H. (2018, May 01). *Transcending Oil: Hawai'i's Path to a Clean Energy Economy*, p.22, Retrieved from <https://rhg.com/research/transcending-oil-hawaiis-path-to-a-clean-energy-economy/>

<sup>2</sup> *Transcending Oil*, p. 1

4. **It provides an opportunity for economic diversification through clean innovation:** Robust policy alignment with clean energy attracts innovation and positions Hawai'i to compete globally for talent and investment. To date, we've deployed over \$30 million in project based funding to support the deployment of 28 clean technology projects in Hawai'i.<sup>3</sup>

Mahalo for the opportunity to provide testimony on this legislation.

Sincerely,

*Tiffany Huynh*

Tiffany Huynh  
Director of External Affairs

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<sup>3</sup> Elemental Excelsior 2019 Impact Report