

DAVID Y. IGE  
GOVERNOR

GWEN S. YAMAMOTO LAU  
EXECUTIVE DIRECTOR

## HAWAII GREEN INFRASTRUCTURE AUTHORITY

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Testimony of  
**Gwen Yamamoto Lau**  
**Executive Director**

before the  
**HOUSE COMMITTEE ON FINANCE**

Tuesday, March 1, 2022

Time: 12:30 P.M.

State Capitol, Conference Room No. 308 & Videoconference

In consideration of  
**HOUSE BILL NO. 2493, HD2**  
**RELATING TO CARBON SEQUESTRATION INCENTIVES**

Chair Luke, Vice Chair Yamashita and Members of the Committee on Finance:

Thank you for the opportunity to testify and offer comments on House Bill 2493, HD2, relating to carbon sequestration incentives. This bill proposes to establish the Hawaii Farmland & Forest Soil Health Carbon Smart Incentive Program (“Program”), to be administered by the Hawaii Green Infrastructure Authority (“HGIA”), in collaboration with the Departments of Land and Natural Resources and Agriculture. HGIA supports this bill.

Through its work financing clean energy infrastructure, HGIA has been actively contributing to the State’s efforts in addressing the problem of climate change. The Program will encourage and incentivize local food producers to implement resilient practices that improves soil health and water security by providing technical support to land managers on implementing climate smart practices that restore and/or maintain soil health in forests and working agricultural lands.

This bill leverages the strengths of the Department of Agriculture (“DoA”), the Department of Land and Natural Resources (“DLNR”) and HGIA, with DoA and DLNR providing technical expertise and HGIA providing fiscal oversight and fund management of the Program.

Thank you for this opportunity to testify in support of HB 2493, HD2.

DAVID Y. IGE  
GOVERNOR OF  
HAWAII



SUZANNE D. CASE  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA  
FIRST DEPUTY

M. KALEO MANUEL  
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

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

Testimony of  
SUZANNE D. CASE  
Chairperson

Before the House Committee on  
FINANCE

Tuesday, March 1, 2022  
12:30 PM

State Capitol, Conference Room 308, Via Videoconference

In consideration of  
HOUSE BILL 2493, HOUSE DRAFT 2  
RELATING TO CARBON SEQUESTRATION INCENTIVES

House Bill 2493, House Draft 2 proposes to establish the Hawaii Farmland and Forest Soil Health Carbon Smart Incentive Program (Program) to incentivize carbon sequestration activities through compensation for eligible practices and appropriate funds for positions and for administering the Program. The bill also proposes to require the Department of Land and Natural Resources (Department) to: 1) Identify and prioritize selected soil health and carbon positive activities; Recommend compensation rates and contract terms for eligible phase I activities; 2) Assist in estimating sequestration rates for carbon positive practices; 3) Serve on the reviewing committee for project applications and reports; 4) Research and develop the technical underpinning of compensation rates for phase II eligible practices; and 5) Conduct community and landowner outreach activities. **The Department supports this bill.**

Agriculture, forests, and other Land Uses (AFLOU) are currently the State's only carbon sink. Investing in carbon positive actions such as afforestation, reforestation, soil carbon sequestration, or local organic plant food production is one of the most effective ways to start mitigating our carbon footprint.

The Department recognizes that small land managers play a significant role in managing natural and working lands but often operate on small profit margins. Providing incentives to land managers will allow them to make changes on their lands to increase carbon sequestration and improve healthy soils to help the state meet food security and carbon emission goals. Additional funding for the State's watershed partnership program that provides landscape-level, cross-boundary forest protection and restoration is also essential to significantly accelerate carbon sequestration rates.

Thank you for the opportunity to comment on this measure.

**HB-2493-HD-2**

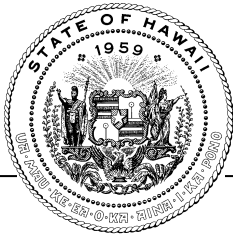
Submitted on: 2/28/2022 9:12:02 AM

Testimony for FIN on 3/1/2022 12:30:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Leah Laramee	DLNR	Support	Yes

Comments:

I am available for questions to DLNR. Please allow me Zoom access.



**STATE OF HAWAII  
OFFICE OF PLANNING  
& SUSTAINABLE DEVELOPMENT**

**DAVID Y. IGE**  
GOVERNOR

**MARY ALICE EVANS**  
DIRECTOR

235 South Beretania Street, 6th Floor, Honolulu, Hawaii 96813  
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Statement of  
**MARY ALICE EVANS**  
Director, Office of Planning and Sustainable Development  
before the

**HOUSE COMMITTEE ON FINANCE**

Tuesday, March 1, 2022  
12:30 PM

State Capitol, Conference Room 308

in consideration of  
**HB 2493, HD 2**  
**RELATING TO CARBON SEQUESTRATION INCENTIVES.**

Chair Luke, Vice Chair Yamashita, and Members of the House Committee on Finance.

The Office of Planning and Sustainable Development (OPSD) **offers comments and amendments** for HB 2493, HD 2, which establishes the Hawai'i farmland and forest soil health carbon smart incentive program (program) to incentivize carbon sequestration activities through incentives contracts that provide for compensation for eligible practices by program participants and appropriates funds for positions and for administering the program.

For the past five years, the Office of Planning and Sustainable Development has been researching, publishing materials, and working on carbon sequestration issues with limited and no funding through the Carbon Farming Task Force (established 2017), now expanded to the permanent Greenhouse Gas Sequestration Task Force (established in 2018). As one of the State's two climate-related boards and commissions, the Greenhouse Gas Sequestration Task Force is a 19-member permanent State task force with many experts from the forestry, agricultural, land use, environmental, academic, and soil science communities committed to the task force's subject-matter and mission set by Hawai'i Revised Statutes (HRS) §225P-4. Since 2018, the Greenhouse Gas Sequestration Task Force received only one appropriation of \$150,000 funding, with the following direct results:

1. The creation of a [“Healthy Soils Hawai'i” Pilot Project with the Hawaii Agricultural Research Center and the Natural Resources Conservation Service](#) (the original pilot program that the proposed program in HB 2493 is modeled after)
2. [The Desktop Analysis to Compare Pathways of Carbon Storage](#) (April 2020)
3. [Hawai'i Natural and Working Lands Baseline and Benchmarks](#) (Aug 2021)

In relation to greenhouse gas sequestration, the Office of Planning and Sustainable Development also published the [\*Feasibility and Implications of Establishing a Carbon Offset Program in the State of Hawai'i\*](#) in December 2019, strongly recommending the establishment of:

1. A greenhouse gas sequestration incentives program, and
2. A greenhouse gas reduction fund, and financing mechanisms

to subsidize and support greenhouse gas/carbon sequestration efforts within the State of Hawai'i (pages 57-59) as an alternative to establishing a Carbon Offset Program administered by the State Government.

The Office of Planning and Sustainable Development has a long and strong record supporting greenhouse gas sequestration, despite funding challenges and lack of staff support to administer the Greenhouse Gas Sequestration Task Force.

The Office of Planning and Sustainable Development believes that in an effort to not duplicate roles and responsibilities between state agencies and state boards and commissions that the reviewing committee as proposed on Page 7 of HB 2493, could be conducted by the State's permanent Greenhouse Gas Sequestration Task Force, which must also provide annual reports to the Legislature on their work.

The Office of Planning and Sustainable Development further suggests that the language in this bill be inserted and replace the language in HRS §225P-6; since the Office of Planning and Sustainable Development has previously recommended against state-administered Carbon Offsetting.

Finally, given the intense land use planning and land management as described in HB 2493 and the OPSD's strong relationships with the Department of Land and Natural Resources, the Department of Agriculture, Hawai'i's four counties, and landowners across the state; the Office of Planning and Sustainable Development strongly recommends that the Legislature consider the Office of Planning and Sustainable Development as the coordinating agency of the proposed "Hawai'i farmland and forest soil health carbon smart incentives program."

The Office of Planning and Sustainable Development is on record for the past five Legislative Sessions since 2018 requesting staff support for the Greenhouse Gas Sequestration Task Force and the promotion of greenhouse gas sequestration projects and incentives. This carbon smart incentives program directly aligns with the goals of the Greenhouse Gas Sequestration Task Force, and if provided the funding, staffing, and programmatic authority in this bill, the Office of Planning and Sustainable Development would be prepared to implement this important climate mitigation program for the benefit of the State of Hawai'i, it's people, and future generations.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE  
Governor

JOSH GREEN  
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER  
Chairperson, Board of Agriculture

MORRIS M. ATTA  
Deputy to the Chairperson

State of Hawaii  
**DEPARTMENT OF AGRICULTURE**  
1428 South King Street  
Honolulu, Hawaii 96814-2512  
Phone: (808) 973-9600 FAX: (808) 973-9613

**TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER  
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE HOUSE COMMITTEE ON FINANCE**

**MARCH 1, 2022**

**12:30 P.M.**

**VIA VIDEOCONFERENCE**

**HOUSE BILL NO. 2493 HD2  
RELATING TO CARBON SEQUESTRATION INCENTIVES**

Chairperson Luke and Members of the Committee:

Thank you for the opportunity to testify on House Bill No. 2493 HD2 that establishes the Hawaii Farmland and Forest Soil Health Carbon Smart Incentive Program to incentivize carbon sequestration activities through incentives contracts that provide for compensation for eligible practices by program participants. This Program is to be established within the Hawaii Green Infrastructure Authority which is administratively attached to the Department of Business, Economic Development, and Tourism. The Department of Agriculture offers comments.

The Department of Agriculture acknowledges that agricultural lands and agricultural operations may have a role in sequestering carbon. The program outlined in this measure is meant to achieve additional sequestration by what appears to be voluntary participation of landowners and lessees of agricultural land to undertake certain practices in exchange for compensation that is based on the amount of carbon sequestered. Participation by landowners, lessees, and particularly agricultural operators will require unambiguous evidence that such participation makes economic sense.



The bill also appropriates funds to the Department for one permanent position to support program actions on State lands and provide technical and research assistance to the program.

(page 14, lines 1-10)

"SECTION 5. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ \_\_\_\_\_ or so much thereof as may be necessary for fiscal year 2022-2023 for one full-time equivalent (1.0 FTE) permanent position to support soil health and carbon sequestration actions on state lands and provide technical and research assistance to the Hawaii farmland and forest soil health carbon smart incentive program established by this Act.

The sum appropriated shall be expended by the department of agriculture for the purposes of this Act."

The Department notes that the position, while located within the Department of Agriculture, is dedicated to assisting HGIA in the administration, development and rollout of the program. The Department is concerned with implementing a permanent program without information and metrics regarding carbon sequestration for Hawai'i's farmers.

The companion to HB2493 is SB3325 and it establishes the Office of Planning and Sustainable Development as the lead agency. SB3325 may be a better vehicle to establish and administer a reasonable carbon sequestration program on agricultural lands.

Thank you for the opportunity to provide our testimony on this measure.



DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
DIRECTOR

GLORIA CHANG  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**WRITTEN ONLY**  
TESTIMONY BY CRAIG K. HIRAI  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEE ON FINANCE  
ON  
HOUSE BILL NO. 2493, H.D. 2

**March 1, 2022**  
**12:30 p.m.**  
**Room 308 and Videoconference**

RELATING TO CARBON SEQUESTRATION INCENTIVES

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill No. 2493, H.D. 2, adds a new part to Chapter 196, HRS, that establishes the Hawai'i Farmland and Forest Soil Health Carbon Smart Incentive Program (program) under the Hawai'i Green Infrastructure Authority (HGIA) to promote carbon sequestration activities through incentives contracts that provide for compensation eligible practices by program participants; appropriates an unspecified amount of general funds in FY 23 for HGIA to establish 5.00 positions for the program and fund operating costs; appropriates an unspecified amount of general funds in FY 23 to the Department of Agriculture to establish 1.00 position to provide support for the program; and appropriates an unspecified amount of general funds in FY 23 to the Department of Land and Natural Resources to establish 1.00 position to provide support for the program.

B&F notes that, with respect to the general fund appropriations in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that

states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.

**HB-2493-HD-2**

Submitted on: 3/1/2022 7:56:42 AM

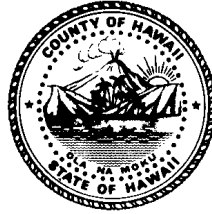
Testimony for FIN on 3/1/2022 12:30:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Morris Atta	Hawaii Department of Agriculture	Comments	Yes

Comments:

I am available to answer questions on behalf of the Department of Agriculture.

REBECCA VILLEGAS  
Council Member  
District 7, Central Kona



PHONE: (808) 323-4267  
FAX: (808) 323-4786  
EMAIL: [Rebecca.villegas@hawaiicounty.gov](mailto:Rebecca.villegas@hawaiicounty.gov)

HAWAI'I COUNTY COUNCIL  
West Hawai'i Civic Center, Bldg. A  
74-5044 Ane Keohokalole Hwy. Kailua-Kona, Hawai'i 96740

February 28, 2022  
TESTIMONY OF REBECCA VILLEGAS  
COUNCIL MEMBER, HAWAI'I COUNTY COUNCIL  
ON HB2493 HD2, RELATING TO CARBON SEQUESTRATION INCENTIVES  
Committee on Finance  
Tuesday, March 1, 2022 at 12:30pm

Aloha Chair Luke and Members of the Committee:

My testimony is submitted in my individual capacity as a member of the Hawai'i County Council and Chair of the Hawai'i County Council Climate Resilience and Natural Resource Management Committee.

We support HB2493 HD2 which establishes a farmland and forest soil health carbon smart incentive program that will promote keeping forests and farmlands intact and sequester additional carbon on those lands.

Climate change has led to an increase in the frequency of extreme weather events that serve to only complicate increased risks associated with the Hawaiian islands, Such extreme weather events can put greater stress on an already vulnerable food supply chain as well as water supplies. The potential for shortages highlights the need for greater food and water security, which can be achieved through increased local food production.

Hawaii needs to reduce its contribution to climate change, increase local food production, improve soil health, and secure resilient water sources.

For the reasons stated above I urge the Committee on Finance to support this measure as well. Should you have any questions, please feel free to contact me at (808) 323-4267.

Mahalo for your consideration.

A handwritten signature in black ink, appearing to read "Rebecca Villegas".

Rebecca Villegas  
Council Member, Hawai'i County Council

**HB-2493-HD-2**

Submitted on: 2/27/2022 5:52:37 AM

Testimony for FIN on 3/1/2022 12:30:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Christopher Dean	Recycle Hawaii and Clean the Pacific	Support	No

Comments:

Dear Representatives, Carbon sequestration is half the battle to preserving the delicate chemical balance of our atmosphere. Recent studies show that after a forest has been clear cut, the soil becomes a net emitter of carbon. It takes up to 20 years for a forest to even begin to start absorbing carbon at a rate that's faster than the soil releases it. The truth is, only a mature intact old growth forest absorbs significant amounts of carbon. You may have seen in the news that the vast Amazon Rainforest, often referred to as the lungs of the planet, is on the verge of becoming a net carbon emitter, that's how much clear cutting has happened. In fact, the Eastern half of the Amazon is already emitting more CO2 than it absorbs. We need to promote and maintain lands to capture CO2 and sequester it in perpetuity. We need to address the climate crisis on multiple fronts, everywhere we can, so please pass HB 2493. Thank you for your consideration.

**HB-2493-HD-2**

Submitted on: 2/27/2022 4:36:30 PM

Testimony for FIN on 3/1/2022 12:30:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Ted Bohlen	Climate Protectors Hawai'i	Support	Yes

Comments:

The Honorable Sylvia Luke, Chair, The Honorable Kyle Yamashita, Vice Chair, and Members of the House Committee on Finance

From: Climate Protectors Hawai'i (by Ted Bohlen)

Re: Hearing **HB2493 HD2 RELATING TO CARBON SEQUESTRATION INCENTIVES.**

Hearing: Tuesday, March 1, 2022, 12:30 p.m., CR 308 and by videoconference

Aloha Chair Luke, Vice Chair Yamashita, and Members of the House Committee on Finance:

The Climate Protectors Hawai'i is a group focused on reversing the climate crisis and encouraging Hawai'i to lead the world towards a safe and sustainable climate and future. The Climate Protectors Hawai'i **STRONGLY SUPPORTS HB2493 HD2** because it would help Hawai'i lead in mitigating the climate emergency.

As a tropical island State, Hawai'i will be among the first places harmed by the global climate crisis, with more intense storms, loss of protective coral reefs, food insecurity, and rising sea levels destroying our shorelines. We must do all we can to reduce our carbon footprint and become carbon negative as soon as possible. **The latest science, including frightening feedback loop data, indicates that 2045 will be too late. Hawai'i must decarbonize in this decade in order to lead and help mitigate the climate emergency!**

In striving to become carbon negative, it will not be enough to limit greenhouse gas emissions; we must also draw carbon down from the atmosphere. **Substantial sequestration of carbon is needed as well as major greenhouse gas emission controls.**

The purpose of this Act is to establish a Hawai'i farmland and forest soil health carbon smart incentive program that will promote keeping forests and farmlands intact and sequester additional carbon on those lands.

**This bill would be a significant step toward reducing atmospheric carbon that is the major cause of the climate crisis.**

Please pass this important bill!

Mahalo!

Climate Protectors Hawai'i (by Ted Bohlen)

**HB-2493-HD-2**

Submitted on: 2/27/2022 6:02:45 PM

Testimony for FIN on 3/1/2022 12:30:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
laurel brier	Kauai women's caucus	Support	No

Comments:

To truly address the climate crisis we must decarbonize AND sequester carbon as well, at a rapid pace. Forests and regenerative agriculture are shown to be some of the best ways to sequester carbon. Healthy, thriving forests and regenerative practices have many other benefits as well for physical and mental health of the population, promotion of food sovereignty, and the protection of watersheds.





To: The House Committee on Finance  
From: Sherry Pollack, Co-Founder, 350Hawaii.org  
Date: Tuesday, March 1, 2022, 12:30pm

**In support of HB2493 HD2**

Aloha Chair Luke, Vice Chair Yamashita, 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 **supports HB2493 HD2** that would establish the Hawaii farmland and forest soil health carbon smart incentive program to incentivize carbon sequestration activities through incentives contracts that provide for compensation for eligible practices by program participants.

Establishing a farmland and forest soil health carbon smart incentive program will promote keeping forests and farmlands intact and sequester additional carbon on those lands. This program will incentivize actions that will improve soil health and sequester carbon. This would allow small farmers, ranchers, foresters, and landowners to be compensated for taking measures to help Hawaii reach its climate readiness goals.

Climate change has led to an increase in the frequency of extreme weather events which increases the risks to our already vulnerable food supply chain. Hawaii needs to reduce its contribution to climate change, increase local food production, improve soil health, and secure resilient water sources through watershed protection. Programs such as the Hawaii farmland and forest soil health carbon smart incentive program are an effective means to do that.

Mahalo for the opportunity to testify in **support** of this important legislation.

Sherry Pollack  
Co-Founder, 350Hawaii.org



P.O. Box 253, Kunia, Hawai'i 96759  
Phone: (808) 848-2074; Fax: (808) 848-1921  
e-mail info@hfbf.org; www.hfbf.org

March 1, 2022

HEARING BEFORE THE  
HOUSE COMMITTEE ON FINANCE

**TESTIMONY ON HB 2493, HD2**  
RELATING TO CARBON SEQUESTRATION INCENTIVES

Room 309 & Videoconference  
12:30 AM

Aloha Chair Luke, Vice-Chair Yamashita, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

**The Hawai'i Farm Bureau supports with comments HB 2493, HD2**, which establishes the Hawai'i farmland and forest soil health carbon smart incentive program to incentivize carbon sequestration activities through incentives contracts that provide for compensation for eligible practices by program participants. Appropriates funds for positions and for administering the program.

- Agricultural lands and operations already have a significant role in sequestering carbon. The proposed program hopes to promote additional sequestration through voluntary participation of landowners/lessees of agricultural land who would be compensated to undertake certain stipulated practices. It will be particularly important that these practices are science and evidence-based and that participation in the program makes agronomic and economic sense.
- Based on its land use planning and management expertise, relationships with other agencies, previous work, and strong record supporting greenhouse gas sequestration, we agree with the Office of Planning and Sustainable Development (OPSD) in its recommendation that the Legislature consider OPSD as the coordinating agency of the proposed program.
- The proposed program highlights the need for State agricultural leases to be transferred from the DLNR (where they are relatively short-term, and otherwise less supportive leases or revocable permits) to the DOA where appropriate lease terms allow long-term planning, investments, and participation in forward-thinking beneficial programs such as this one.

Thank you for the opportunity to provide our comments and thank you for your continued support of Hawai'i's agricultural community.



**Testimony to  
The Committee on Finance**

**Tuesday, March 1, 2022**

**12:30 PM**

**VIA Video Conference**

**Conference Room 308, Hawaii State Capitol**

**HB 2493 HD2**

Chair Luke, Vice Chair Yamashita, and members of the committee,

Hawaii Gas **supports HB 2493 HD2**, which establishes the Hawaii farmland and forest soil health carbon smart incentive program to incentivize carbon sequestration activities through incentives contracts that provide for compensation for eligible practices by program participants and appropriates funds for positions and for administering the program.

Hawaii Gas is a national leader in the production and distribution of renewable gas in a gas utility system and has committed to support the state's march towards carbon neutrality by 2045. Despite representing less than 1% of the greenhouse gases emitted into Hawaii's atmosphere, we agree that it's everyone's responsibility to do everything we can to make sure Hawaii meets that milestone.

Carbon sequestration programs have shown great promise in other states around the country, and Hawaii offers a unique environment and unique species that make the state compatible with such programs. As we move towards 2045, it's important that Hawaii look to multiple avenues, fuel sources, and other opportunities to meet that goal. By incentivizing farmers in various projects — including the growth of biofuels and biogas — the state makes it possible to bring more renewable fuels options and thus meet our goal.

We urge the committees to pass HB 2493 HD2.

Thank you for the opportunity to testify.

**Testimony of The Nature Conservancy  
Supporting HB 2493 HD2, RELATING TO CARBON SEQUESTRATION INCENTIVES.  
COMMITTEE ON FINANCE  
March 1, 2022, 12:30 pm  
Conference Room 308 via videoconference**

Aloha Chair Luke, Vice Chair Yamashita, and Members of the Committee:

**The Nature Conservancy (TNC) strongly supports HB 2493 HD2**, Relating to Carbon Sequestration Incentives, which would establish the Hawai'i farmland and forest soil health carbon smart incentive program to incentivize carbon sequestration activities through incentives contracts that provide for compensation for eligible practices by program participants, and appropriates funds for positions and for administering the program.

As a member of the US Climate Alliance Natural and Working Lands Hawai'i Research Team (Team), TNC appreciates the opportunity to testify on this bill. As you may know the Team worked closely with the US Climate Alliance and American Forests to design this program to address the needs of our natural and working land managers.

A Hawai'i farmland and forest soil health carbon smart incentive program is vital to support our local producers and reach a carbon neutral clean economy by 2045. Agriculture, forests and other land uses are currently the State's only carbon sink. Actively investing in carbon positive actions such as restoring forests through tree planting, forest protection, and improved management, soil carbon sequestration, improved pasture management, and local organic plant food production are the most effective and efficient ways to mitigate our carbon footprint. Establishing this program will help small land managers employ healthy soil and carbon smart practices to sequester additional carbon on natural and working lands.

TNC also supports the Hawai'i Green Infrastructure Authority (HGIA) as the host of this program. Through its work financing clean energy infrastructure, HGIA has been actively contributing to the State's efforts in addressing the problem of climate change and can effectively continue this work through this program.

Carbon smart practices will not only sequester carbon but improve soil health protecting agriculture into the future, increase the amount of water that filters into our aquifers, reduce erosion and therefore protect our reefs from sedimentation and stress, and support our local producers and growers.

Mahalo for the opportunity to provide testimony on HB 2493 HD2.

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*The Nature Conservancy of Hawai'i and Palmyra is a non-profit organization dedicated to the preservation of the lands and waters upon which all life depends. The Conservancy has helped protect more than 200,000 acres of natural lands in Hawai'i and Palmyra Atoll. We manage 40,000 acres in 13 nature preserves and work in over 50 coastal communities to help protect and restore the nearshore reefs and fisheries of the main Hawaiian Islands. We forge partnerships with government, private parties, and communities to protect forests and coral reefs for their ecological values and for the many benefits they provide to people.*

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BOARD OF TRUSTEES

Duke E. Ah Moo Paul D. Alston (Chair) Kris Billeter Dr. C. Tana Burkert Anne S. Carter Richard A. Cooke III Ka'iulani de Silva  
Dave Eadie Matt Emerson Hon. Judith Epstein Dr. Alan M. Friedlander Benjy Garfinkle Sean A. Hehir Brett MacNaughton  
Kathy M. Matsui Janet Montag Alicia Moy Bradley E. Smith Julie Smolinski Peter K. Tomozawa Richard N. Zwern



COMMITTEE ON FINANCE  
Rep. Sylvia Luke, Chair  
Rep. Kyle T. Yamashita, Vice Chair

**HB2493 HD2**  
Relating to CARBON SEQUESTRATION INCENTIVES

Tuesday, March 1, 2022, 12:30 PM  
VIA VIDEOCONFERENCE

Chair Luke, Vice Chair Yamashita, and Members of the Committee,

The Hawaii Cattlemen's Council (HCC) is the Statewide umbrella organization comprised of the five county level Cattlemen's Associations. Our member ranchers represent over 60,000 head of beef cows; more than 75% of all the beef cows in the State. Ranchers are the stewards of over 750 thousand acres of land in Hawaii, or 20% of the State's total land mass. We represent the interests of Hawaii's cattle producers.

The Hawaii Cattlemen's Council **supports the intent of HB2493 HD2** to establish the Hawaii farmland and forest soil health carbon smart incentive program (program) to incentivize carbon sequestration activities. We agree with the Office of Planning and Sustainable Development testimony that they would be the appropriate entity to implement the program, as the Greenhouse Gas Sequestration Task Force is aligned with the goals of the carbon smart incentives program. The Greenhouse Gas Sequestration Task Force should be provided the funding, staffing, and programmatic authority to carry out this program.

We appreciate the legislature's acknowledgement that both forestry and regenerative agriculture can contribute to carbon sequestration and be a solution to curbing the detrimental impacts of climate change. These impacts, such as extreme weather, drought, sea level rise, are already affecting the state, and a focus on increasing local food security is necessary. We are learning more about the positive outcomes that well-managed rangelands can provide, including carbon sequestration and increased soil health, among others. A great resource is a recently published article in the Land Journal, titled "Maintaining the Societal Benefits of Rangelands: The Case of Hawaii" which can be read at <http://bit.ly/rangelandbenefits>. We highlight this because the review helps to illustrate that ranchers have the capacity, knowledge, and proven track record to maintain large land areas, thereby managing the rangelands and deriving ecosystem benefits. There are still gaps in quantifying the different benefits, and this bill will help progress to quantify those benefits while also incentivizing ranchers to either continue climate smart practices, or start new practices the increase soil health and reduce carbon emissions or sequester carbon.



We do comment that these incentives would apply to both private land owners as well as those who lease on state lands, and in order to apply these practices, long term leases are necessary. The investment in the practices and monitoring or results do not happen over a short time period, but instead are realized over the years. This is one of the key reasons the Hawaii Cattlemen's Council advocates for agricultural leases to be transferred from the Department of Land and Natural Resources (where leases are often on revocable permits) to the Department of Agriculture where appropriate lease are given for long-term planning of agricultural operations, and aid in encouraging investment into other climate smart practices.

We appreciate the opportunity to testify on this measure.

Nicole Galase  
Hawaii Cattlemen's Council  
Managing Director



## Environmental Caucus of The Democratic Party of Hawai'i

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To: The Honorable Sylvia Luke, Chair  
The Honorable Kyle T. Yamashita, Vice Chair  
Committee on Finance

Re: **HB 2493, HD 2 – RELATING TO WASTE MANAGEMENT**

Hearing: Tuesday, March 1, 2022, 12:30 p.m., Conference Room 308 and Via  
Videoconference

**Position: Strong Support**

Aloha, Chair Luke and Vice Chair Yamashita and Members of the Committee on Finance:

The Environmental Caucus of the Democratic Party of Hawai'i strongly supports HB 2493, HD 2 and requests that this measure be PASSED by your Committee. This bill would establish the Hawaii farmland and forest soil health carbon smart incentives programs to incentivize carbon sequestration activities through incentives contracts that provide for compensation for eligible practices by program participants.

The Environmental Caucus strongly supports this measure as it is designed to incentivize carbon sequestration practices on farmland and forest soil. Hawaii needs to reduce its contribution to the climate crisis, increase local food production, improve soil health, and secure resilient water sources. Hawaii also needs to mitigate the climate crisis by sequestering greenhouse gases through regenerative agriculture and forest preservation. Program payment incentives that encourage nature-based actions that are soil health and carbon positive provide rich, diverse benefits such as restoring, and improving landscape soil health and water security.

Mahalo nui loa for this opportunity to testify. Please pass this bill.

Respectfully submitted,

*Melodie Adyja*

*Alan Burdick*

Co-Chairs, Environmental Caucus of the Democratic Party of Hawai'i

Email: [legislativepriorities@gmail.com](mailto:legislativepriorities@gmail.com)

**HB-2493-HD-2**

Submitted on: 2/27/2022 10:30:04 AM

Testimony for FIN on 3/1/2022 12:30:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Diane Ware	Individual	Support	No

Comments:

Dear Chair and Committee Members,

HB 2493 HD2 aims to establish the Hawaii farmland and forest soil health carbon smart incentive program to incentivize carbon sequestration activities through incentives contracts that provide for compensation for eligible practices by program participants. Appropriates funds for positions and for administering the program. This goal is essential to lowering our carbon footprint.

**WHY IS THIS IMPORTANT?** Establishing a farmland and forest soil health carbon smart incentive program that will promote keeping forests and farmlands intact and sequester additional carbon on those lands. Incentivizing nature—based actions that are soil health and carbon positive provide rich, diverse co-benefits such as restoring, maintaining, and improving landscape soil health and water security through payment for services programs. This would allow small farmers, ranchers, foresters, and landowners to be compensated for taking measures to help Hawaii reach its climate readiness goals.

Than you for the opportunity to testify,

Diane Ware, 99-7815 Kapoha Pl, Volcano Hi



**HB-2493-HD-2**

Submitted on: 2/27/2022 1:03:21 PM

Testimony for FIN on 3/1/2022 12:30:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Mark Hixon	Individual	Support	No

Comments:

Aloha: Hawaii must reduce its contribution to climate change, increase local food production, improve soil health, and secure resilient water sources through watershed protection. This program would be an effective way to accomplish these goals. In addition to cutting emissions from burning carbon, Hawaii needs to mitigate climate change by sequestering greenhouse gases through regenerative agriculture and forest preservation. This program would incentivize these efforts and thereby help Hawaii reach its climate readiness goals. Climate change has led to increasing droughts and extreme weather events which increases the risks to our already vulnerable food supply chain. Programs such as this that increase local food production are an effective means to promote greater food and water security. Mahalo--Mark Hixon

**HB-2493-HD-2**

Submitted on: 2/27/2022 1:10:00 PM

Testimony for FIN on 3/1/2022 12:30:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Thomas Brandt	Individual	Support	No

Comments:

Support!

**HB-2493-HD-2**

Submitted on: 2/27/2022 5:08:17 PM

Testimony for FIN on 3/1/2022 12:30:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Caroline Kunitake	Individual	Support	No

Comments:

I support HB2493 HD2.

**HB-2493-HD-2**

Submitted on: 2/27/2022 5:15:17 PM

Testimony for FIN on 3/1/2022 12:30:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Douglas Perrine	Individual	Support	No

Comments:

We need to provide all the incentives we can for carbon sequestration as well as carbon emission reductions. I support HB2493

**HB-2493-HD-2**

Submitted on: 2/28/2022 12:53:42 AM

Testimony for FIN on 3/1/2022 12:30:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Janet L Pappas	Individual	Support	No

Comments:

Dear FIN Chair Luke, Vice Chair Yamashita and committee members,

Carbon sequestration incentives fight climate change in a big way. This method uses farmlands and forested areas to capture carbon in trees and plants as well as in soil. Sequestered carbon is no longer harmful to the planet and the resulting soil and plants are healthier. Hawaii farmers and forestry stewards will also benefit by receiving incentives for their carbon sequestering efforts.

Please pass HB2493 to pay for program administration and incentives paid to land caregivers.

Mahalo for listening.

Sincerely,

Jan Pappas

Aiea, Hawaii 96701

**HB-2493-HD-2**

Submitted on: 2/28/2022 6:32:36 AM

Testimony for FIN on 3/1/2022 12:30:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Noel Morin	Individual	Support	No

Comments:

Aloha Chair Luke, Vice-Chair Yamashita, and committee members,

I support HB2493 HD2. Nature-based carbon sequestration is a simple but effective means to reduce emissions. This measure will incentivize farming and other agriculture activities that will enable Hawaii to maximize our carbon sequestration capacity and improve the quality of our soils and the quality of the food we grow.

Low or no-till farming, growing renewable building materials (bamboo, hemp), forest preservation, reforestation and afforestation, and green-space optimization are just some of the things we can do to enhance our environment while reducing emissions. HB2493 H2 enables this. Please pass it.

Sincerely,

Noel Morin

**HB-2493-HD-2**

Submitted on: 2/28/2022 3:09:27 PM

Testimony for FIN on 3/1/2022 12:30:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
anne zellinger	Individual	Support	No

Comments:

As a citizen and landowner, I support measures to sequester carbon. I am planting native plants also in support of reforestation initiatives.

Thank you,

Anne Zellinger

HB 2493 HD 2 TESTIMONY

To: House Committee on Finance  
Hearing on March 1, 2022 at 12:30 p.m.

From: John Kawamoto

Position: Support

Carbon sequestration complements efforts to reduce carbon emissions to mitigate climate change. We need to do both – sequester carbon and reduce carbon emissions -- if we are to avoid a global climate catastrophe.

Among other things, this bill incentivizes the planting of new forests to sequester carbon. Meanwhile, other bills are being considered by the Legislature that would cut down forests to generate electricity. Those bills would neutralize the effect of this bill and should be avoided.

This bill mitigates climate change, and it will have beneficial impacts for generations to come.



**HB-2493-HD-2**

Submitted on: 3/1/2022 8:27:34 AM

Testimony for FIN on 3/1/2022 12:30:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Michelle Matson	Individual	Support	No

Comments:

Hawaii must do more to mitigate climate change by sequestering greenhouse gases through regenerative agriculture and forest preservation !