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Statement of  
**THEODORE E. LIU**  
**Director**  
Department of Business, Economic Development, and Tourism  
before the  
**HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION**  
Thursday, February 5, 2009  
9:00 a.m.  
State Capitol, Conference Room 312

in consideration of  
**HB 1050**  
**RELATING TO ENERGY RESOURCES.**

Chair Morita, Vice Chair Coffman, Members of the Committee on Energy & Environmental Protection.

The Department of Business, Economic Development, and Tourism (DBEDT) strongly supports HB 1050, an Administration bill which provides amendments to Section 196-1, Hawaii Revised Statute, to allow the Energy Resources Coordinator (ERC) to effectively carry out its statutory role governing energy resource planning as well as preserving Hawaii's energy security.

HB 1050 defines the various energy resources and market sectors that constitute the essential elements for developing effective energy resources plans and policy for the State to achieve energy independence and security. As State Energy Resources Coordinator (ERC), one of the primary functions of the DBEDT Director is to formulate plans for the optimum development

of Hawaii's energy resources as well as preserving and protecting the state's energy security. The other agencies with statutory roles relating to energy have different primary missions and functions than those of the ERC. These functions are complementary and consistent, but not redundant. For instance, the Consumer Advocate represents the interests of the consumers of energy in the state, while the ERC represents the State and its broader, strategic energy policy perspectives to coordinate and manage statewide energy resource development. On the other hand, the Public Utilities Commission's role is primarily regulatory in nature, focusing on those energy sectors that are regulated by the Commission.

HB 1050's proposed amendments to Section 196-2 provide clarity as to the energy resources and market sectors that are necessary and important sources of data and information that are essential and required by the ERC to effectively plan for Hawaii's energy future and energy independence.

Thank you for the opportunity to offer these comments.

Testimony on  
**H.B. NO. 1050 –  
RELATING TO ENERGY RESOURCES**

Before the  
House Committee on Energy & Environmental Protection  
Thursday, February 5, 2009, 9:00 a.m., Conference Room 325

By  
David Rezachek, Consultant  
Honolulu Seawater Air Conditioning LLC

**WRITTEN TESTIMONY ONLY**

Good morning Chair Morita, Vice Chair Coffman, and members of the Committee. My name is David Rezachek and I am testifying on behalf of Honolulu Seawater Air Conditioning, LLC (HSWAC).

HSWAC **supports** H.B. 1050, which comprehensively address deficiencies in Hawaii's energy resources coordination statutes; however, **HSWAC respectfully requests that this committee amend the proposed definition of “energy resources.”**

As part of an effort to address deficiencies, this bill identifies a need to “[u]pdate certain definitions for clarity and to take into account the changes in the State's energy resources, markets, and systems.”

Section 3 of this bill provides a definition of “Energy:”

“ ‘Energy’ means work or heat that is, or may be, produced from any fuel or source whatsoever.”

Section 3 also amends the definition of “Energy resources.” However, this amended definition is not consistent with the proposed definition of “energy,” above. The proposed amended definition of energy resources does not consider thermal applications of various sources of energy. Such thermal applications include, but are not limited to renewable energy electricity displacement technologies.

Renewable energy electricity displacement technologies include solar water heating, seawater air conditioning district cooling systems, and solar air-conditioning.

Therefore in order to make the definition of “energy resources” more consistent with the proposed definition of “energy,” HSWAC proposes the following amended definition for “energy resources:’

“Energy resources” means ~~[and includes fossil fuel, nuclear, geothermal, solar, hydropower, wind, and other means of generating energy.]~~ **fuels, whether liquid, solid, or gaseous, commercially usable for energy needs, power generation, and fuels manufacture, that may be manufactured, grown, produced, or imported into the State or that may be exported therefrom, including petroleum and petroleum products and gases, and all fossil fuel-based gases, coal tar, vegetable ferments, biomass, municipal solid waste, biofuels, hydrogen, agricultural products used as fuels and as feedstock to produce fuels, and all fuel alcohols.** Energy resources also includes all electrical **or thermal** energy produced by combustion of any fuel, or generated or produced using wind, the sun, geothermal, ocean water, falling water, currents, and waves, or any other source.”

This simple change is highlighted in bold in the above amended definition.

Thank you for this opportunity to testify.

**HAWAII RENEWABLE ENERGY ALLIANCE**

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**TESTIMONY OF WARREN BOLLMEIER ON BEHALF OF THE HAWAII RENEWABLE ENERGY ALLIANCE BEFORE THE HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION**

**HB 1050, RELATING TO ENERGY RESOURCES**

February 5, 2009

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Chair Morita, Vice-Chair Coffman and members of the Committee I am Warren Bollmeier, testifying on behalf of the Hawaii Renewable Energy Alliance (HREA). HREA is a nonprofit corporation in Hawaii, established in 1995 by a group of individuals and organizations concerned about the energy future of Hawaii. HREA's mission is to support, through education and advocacy, the use of renewables for a sustainable, energy-efficient, environmentally-friendly, economically-sound future for Hawaii. One of HREA's goals is to support appropriate policy changes in state and local government, the Public Utilities Commission and the electric utilities to encourage increased use of renewables in Hawaii.

The purpose of HB 1050 are to: (i) comprehensively address deficiencies in Hawaii's energy resources coordination statutes, and (ii) provide policy guidance needed to provide adequate detail on the nature and relationship of the energy data analyses functions required of the state energy resources coordinator and energy program.

HREA supports the intent of this bill and suggests the following amendments to the definitions of:

(i) "electricity" in lines 1 to 4 on page 9 to read as follows:

"Electricity" means all electrical energy generated by combustion of any fuel as defined in this section or generated by renewable energy sources as defined in HRS §269-91.

(ii) "energy resources" in lines 6 to 8 on page 11 to read as follows:

"energy resources also includes all electrical energy generated by combustion of any fuel, or generated by renewable energy sources as defined in HRS §269-91.

Thank you for this opportunity to testify.