

HB 279 HD2



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

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Statement of
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Director
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before the
**SENATE COMMITTEES ON
ENERGY AND ENVIRONMENT
AND
ECONOMIC DEVELOPMENT AND TECHNOLOGY**
Tuesday, March 17, 2009
2:45 PM
State Capitol, Conference Room 225

in consideration of
**HB 279, HD2
RELATING TO ENERGY**

Chairs Gabbard and Fukunaga, Vice Chairs English and Baker, and Members of the
Committees.

The Department of Business, Economic Development, and Tourism (DBEDT) supports
the intent of HB 279, HD2, which would establish a renewable energy branch in DBEDT to
coordinate and support renewable energy initiatives. Although we appreciate the intent of the
measure, the positions and funding **were already** included in the Administration's Biennium
Budget.

The importance of this area to Hawaii's future is clear. Rather than exporting billions of
dollars every year for the purchase of imported fossil fuels, we could utilize our abundant
renewable energy resources - sun, wind, wave, geothermal, biomass, ocean thermal energy, and
hydropower - to meet a significant portion of our energy needs.

Renewable energy - even projects not yet developed - can also assist Hawaii **this year** - and the next - if we are smart, organized, focused, and timely in our efforts. This is the immediate focus of the Hawaii State Energy Office.

We need to move quickly if we are to bring Federal stimulus energy funding - and these projects - to Hawaii. Several proposals for energy project funding have already been released, and some are due as early as the end of this month. It is expected that several more rounds of funding will be made available before this summer.

We have received a great deal of feedback from sources such as senior leader in the US Department of Energy and the National Association of State Energy Officials that the framework we have established in the Hawaii Clean Energy Initiative well positions the state for competitive funding for projects. Even so, our minimal staffing means we have limited capacity to pursue and execute on these opportunities.

HB279 HD2 establishes a renewable energy branch and strengthens the overall energy program. Establishing a branch in statute is not necessary, but clearly strengthening the energy program is. The energy program does not have the capacity for detailed analysis in multiple areas which represent significant risk for the state's energy system. Adding the seven positions requested in the Administration's Biennium Budget will address that risk in a programmatic fashion.

If the Committee chooses to move this bill forward, we do recommend a number of changes. We recommend that on page 10, line 19, the term "energy analysts" be changed to "positions," to enable us to identify and hire the necessary mix of knowledge, skills, and abilities to successfully complete the many tasks for these positions. Attached is a brief around the concept for the reorganization of the State Energy Office to include these 7 new positions.

Additionally, to provide project managers to appropriately oversee projects funded by federal grants, both by formula or competitively awarded, we recommend the Committee add a section as follows: "Subject to the availability of federal funding for energy programs provided

by grants and subject to the constraints, oversight, and reporting requirements of those federal programs, the governor is hereby authorized to establish positions necessary to accomplish the management of those projects funded by federal grants, provided that the positions shall be exempt from chapters 76 and 89 and provided further that the governor shall submit a report to the legislature on all positions established as of December 31 and June 30 of each fiscal year that the positions exist and are occupied.”

The timing for this transition is upon us. We have an agreement between the State and our local utilities to make this transition now, cited by many as a landmark document. Federal support for renewable energy projects is extremely high, not only via the Hawaii Clean Energy Initiatives but also through the American Recovery and Reinvestment Act of 2009 and other upcoming Federal energy initiatives. We are at a moment of time when all of the elements for historic change are in place. It is imperative that the Hawaii State Energy Program have the capability to seize this moment for change.

We thank you for your understanding of the importance and timeliness of this effort for Hawaii.

Thank you for the opportunity to offer these comments.

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TESTIMONY OF WARREN BOLLMEIER ON BEHALF OF THE HAWAII RENEWABLE ENERGY ALLIANCE BEFORE THE SENATE COMMITTEES ON ENERGY AND ENVIRONMENT PROTECTION, AND ECONOMIC DEVELOPMENT AND TECHNOLOGY

HB 279 HD2, RELATING TO ENERGY

March 17, 2009

Chairs Gabbard and Fukunaga, Vice-Chairs English and Baker and members of the Committees, 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 purposes of HB 279 HD2 are to: (i) establish the renewable energy branch in the department of business, economic development, and tourism to coordinate and promote renewable energy initiatives; (ii) strengthen existing renewable energy and planning provisions; (iii) provide for staffing, and (iv) appropriate funds.

HREA **strongly supports** this bill and recommends that DBEDT establish, as part of the overall functions and duties, an industry advisory board to review and provide recommendations about the plans and activities of the renewable energy branch. The industry advisory board would consist of minimum of seven individuals in the renewable energy industry by invitation from DBEDT and would be open to participation from all other interested stakeholders. DBEDT will establish any other relevant provisions as deemed appropriate

Thank you for this opportunity to testify.