



# LIFE OF THE LAND

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Bill No. 1671

Support Y N

Date 2/15/09

Time 1419

Cat AF AS AX (B) C

Type (1) 2 WI

## COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Rep. Hermina M. Morita, Chair

Rep. Denny Coffman, Vice Chair

Tuesday, March 17, 2009

8:30 a.m.

Conference Room 325

SB 1671 SD1 RELATING TO FOSSIL FUELS.

CONCERNS

Aloha Chair Morita, Vice chair Coffman and Members of the Committee

My name is Henry Curtis and I am the Executive Director of Life of the Land, Hawai'i's own energy, environmental and community action group advocating for the people and `aina for almost four decades. Our mission is to preserve and protect the life of the land through sound energy and land use policies and to promote open government through research, education, advocacy and, when necessary, litigation.

SB 1671 would ban new fossil fuel power plants greater than 2 MW shall be permitted.

**The proposed bill impacts no currently anticipated or planned generators. The bill allows for a symbolic victory without changing anything, without requiring anything new. Hawai'i will be able to say "look at what we did" without, in fact, doing anything.**

SB 1671 SD1 applies only to HECO, MECO & HELCO, only to new fossil fuel power plants, but excludes biofuel-based power plants, the only type of plant that HECO, MECO or HELCO plans to build. Thus the bill applies to no one.

The bill applies only to HECO, MECO & HELCO, but only to those plants that the utility does not plan to build. Thus the bill is "safe".

SB 1671 SD1 bans new fossil fuel power plants, but excludes

- (1) Generators Owned by Cooperatives
- (2) Generators Owned by Refineries
- (3) Biomass/Coal Facilities
- (4) Generators Owner by other Non-utilities
- (5) Generators > 2 MW with rated capacities of < 2 MW
- (6) Generators > 2 MW consisting of multiple 2 MW generators
- (7) Generators based largely or totally on fossil fuel converted to biofuels

Mahalo

Henry Curtis

Testimony Before the House Committee on  
Energy and Environmental Protection

By Michael V. Yamane P.E.  
Senior Electrical Engineer  
Kauai Island Utility Cooperative  
4463 Pahee Street, Suite 1, Lihue, Hawaii, 96766-2000

Tuesday, March 17, 2009, 8:30 a.m.  
Conference Room # 325

Bill No. 1671

Support Y  N

Date 3/16/09

Time 826

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Type  1  2 WI

**Senate Bill No. 1671, S.D. 1 – Relating to Fossil Fuels.**

To the Honorable Hermina M. Morita, Chair; Denny Coffman, Vice-Chair, and Members of the Committee:

Thank you for the opportunity to testify on this measure. My name is Mike Yamane, representing Kauai Island Utility Cooperative (KIUC). I am here today to testify in opposition to S.B. No. 1671, S.D. 1 because this bill could negatively impact KIUC.

KIUC is the only electric cooperative in the State of Hawaii, and the only electric utility serving the people on the island of Kauai. Unlike the for-profit, investor-owned, and much larger utility companies in Hawaii, KIUC is member-owned, its shareholders and ratepayers being one in the same. KIUC members elect the Board of Directors through a democratic process and this Board, along with KIUC staff, develops KIUC's Strategic Plan.

KIUC'S Strategic Plan sets forth two priorities: (1) to generate at least 50% of our electricity from renewable energy sources by 2023, a goal that will lower KIUC's greenhouse gas emissions to 1990 levels; and (2) to commit to fair and equitable rates for reliable service. As evidenced by its priorities, KIUC is committed to breaking the State's dependence on foreign oil and to taking steps to protect our environment but KIUC also needs to ensure the viability of the cooperative for the sake of its members/customers. Thus, a balance has to be struck between what would otherwise appear to be competing interests to enable actual change over time to occur.

This bill's prohibition against approving any new electricity generating facilities using fossil fuel and the modification of existing electricity generating facilities to allow the use of fossil fuel would jeopardize that balance. This prohibition would not only limit KIUC's ability to provide affordable electricity to its members/customers but may also prevent KIUC from ensuring an adequate supply of that electricity.

KIUC respectfully requests that this bill be amended such that the prohibition only applies to solely fossil fuel electric generation units. This amendment would maintain the objective of limiting the building of generators dependent on fossil fuel but would also allow for flexibility to accommodate KIUC's unique character to ensure continued, safe and reliable service to the people of Kauai.

Testimony on H.B. No. 1492, HD 2

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Date

Thank you for the opportunity to testify today on behalf of KIUC.



Bill No. 1671

Support  Y  N

Date 3/16/09

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**HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION**

March 17, 2009, 8:30 A.M.

Room 325

(Testimony is 2 pages long)

**TESTIMONY IN STRONG SUPPORT OF SB 1671 SD1 WITH AMENDMENT**

Chair Morita and members of the committee:

The Blue Planet Foundation strongly supports strongly supports SB 1671, prohibiting the addition or expansion of any new fossil fuel burning facilities for electricity generation. Fossil fuels are simply not part of Hawaii's clean energy future. Hawaii's state policy should reflect our preferred energy future powered by clean, indigenous, renewable sources of electricity.

**We respectfully ask that the Committee on Energy & Environmental Protection amend SB 1671 back to its original form.** The amendments made in the Senate Draft 1 inappropriately exempt Kaua'i from the fossil fuel prohibition until 2015 and make the prohibition apply only to "public utilities." We are concerned that these exemptions severely weaken the effectiveness of this policy and send a mixed market signal about Hawaii's preferred energy future.

Hawaii is the most dependent state in the nation on imported oil. Some 50 million barrels are imported annually, nearly 80% of which originate from foreign sources<sup>1</sup>. In addition, over 805,000 tons of coal are imported into our state<sup>2</sup>. These sources provide power for over 92% of Hawaii's electricity generation. The combustion of these resources also contributes over 23 million tons of climate changing greenhouse gas into our atmosphere annually<sup>3</sup>. Hawaii's economic, environmental, and energy security demand that we reduce the amount of fossil fuel imported and consumed in Hawaii.

<sup>1</sup> The State of Hawaii Data Book 2007

<sup>2</sup> *Ibid.*

<sup>3</sup> ICF International. Inventory of Greenhouse Gas Emissions and Sinks in Hawaii: 1990 and 2007. December 2008.

**Jeff Mikulina, executive director • [jeff@blueplanetfoundation.org](mailto:jeff@blueplanetfoundation.org)**

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The original SB 1671 addresses that need by prohibiting the permitting of future fossil fuel-fired electricity generating facilities in the state. To be clear, SB 1671 is not a prohibition on existing fossil fuel electricity generating facilities; it is prospective in nature, only addressing future projects. Further, it exempts small (less than 2 MW) generators that are used for backup generation by hospitals and other emergency needs—an exemption that can be revisited by the legislature in the future as more capable storage technologies come online or indigenous biofuel sources become more readily available.

Hawaii's fossil fuel prohibition—again, for future facilities—should be clear and simple: no new fossil fuel electricity generating facilities. Enactment of SB 1671 in its original form will make Hawaii the first state in the nation to prospectively disallow fossil fuel power plants. It will draw national and likely international media attention, and send a clear market signal that Hawaii is serious about transforming to clean, indigenous sources of energy.

Blue Planet Foundation is committed to creating Hawaii's clean energy future. Our goal is making Hawaii's energy independent by 2020. New fossil fuel facilities play no role in Hawaii's clean energy future. Please pass SB 1671 in its original form to help ensure that we stay on the right path for a sustainable Hawaii.

Thank you for the opportunity to testify.