

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of LUIS P. SALAVERIA Director

Department of Business, Economic Development, and Tourism before the

HOUSE COMMITTEE ON FINANCE

Friday, February 23, 2018 2:00 p.m. State Capitol, Conference Room 308

in consideration of **HB2724, HD1**

RELATING TO STATE ENERGY AGENCIES.

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

The Department of Business, Economic Development, and Tourism (DBEDT) offers **comments** on HB2724, HD1, which establishes an Office of Clean Energy to assume the duties of the Energy Resources Coordinator, overseen by a governor-appointed director.

DBEDT appreciates the bill for bringing attention to both the important connection between energy and the economy in Hawaii and the resources needed to foster collaboration between the government and other energy sector stakeholders.

However, DBEDT has concerns about the timeframe for implementation of Fiscal year 2018-2019, since this may not be enough time to appoint a director and complete reorganization of the office as necessary.

DBEDT also has concerns about the funding source for an additional position in the Office of Clean Energy. The current appropriation is for the reorganization and commencement of the Office of Clean Energy, but there is no mention of future funding for an additional position after FY18-19.

Additionally, DBEDT has concerns that the time and resources required by current DBEDT staff to reorganize the energy office may not be adequate. Both of these concerns would adversely impact priorities indicated in our Executive Budget.

Thank you for the opportunity to offer testimony on HB2724, HD1.









HOUSE COMMITTEE ON FINANCE

February 23, 2018, 2:00 P.M.
Room 308
(Testimony is 2 pages long)

TESTIMONY IN SUPPORT OF HB 2724 HD1

Aloha Chair Luke, Vice Chair Cullen, and Committee members:

Blue Planet Foundation **supports** HB 2724 HD1, establishing the Office of Clean Energy to assume the duties of the current energy resources coordinator and providing new direction and objectives for the office.

Blue Planet recognizes that the energy landscape has shifted dramatically since the State Energy Office was first established in 1974. We understand the value in redefining the role of the office and elevating the head of the office to a Senate-confirmed director position. We also fully support the new objective for the office to set Hawaii on a course to become carbon neutral (or negative) by 2045.

Blue Planet believes that the legislature should go further, however, and create a separate energy authority to oversee and accelerate all aspects of Hawaii's transition to 100% renewable energy.

We envision that this energy authority—akin to the California Energy Commission and similarly structured to the Hawaii Tourism Authority—would be empowered to drive Hawaii's clean energy transformation. Ideally the new energy authority would have dedicated funding from the existing barrel tax, be exempt from civil service and procurement restraints, and be directed by an independent, appointed board. The energy authority would work to advance innovation, break down institutional and other barriers to clean energy progress, and work to position Hawaii as a global leader in energy and climate solutions (across all energy sectors).

In addition to the tasks currently assigned to the State Energy Office, the energy authority would be charged with:

- state energy resiliency planning and preparedness;
- policy and technical planning and energy scenario analytic work;
- data collection, access, and sharing;

- partnership development, energy business interest management, and showcasing progress;
- coordination of public agency energy efficiency, renewable energy, and clean transportation programs;
- catalyzing innovation and developing testbed opportunities;
- policy and technology consultant to other state agencies, including the Public Utilities Commission; and
- other activities in service of advancing our clean energy and climate goals.

Energy decisions affect nearly every aspect of the state's economy and residents' lives. Hawaii needs an elevated, effective office to oversee Hawaii's transition to a clean energy economy.

Blue Planet Foundation would welcome the opportunity to work with these committees and other members of the legislature to develop such an energy authority for Hawaii.

Thank you for the opportunity to testify.



HOUSE COMMITTEE ON FINANCE

Friday, February 23, 2018 2:00PM Conference Room 308

In SUPPORT of HB 2724 HD1 Relating to state energy agencies

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, a member of the Common Good Coalition, **strongly supports HB 2724 HD1**. This bill seeks to establish the Office of Clean Energy.

Hawai'i is a global leader in clean energy. Between our visionary goal to be 100% renewable by 2045, codification of our commitment to the Paris Climate Accord, and the piloting of new carbon sequestration projects, Hawai'i needs a state agency dedicated to fulfilling on our commitments and goals on clean energy. Establishing the Office of Clean Energy would facilitate Hawai'i's transition to a clean energy economy by re-tooling the current State Energy Office with a stronger mission, more efficient structure, and specific funding.

We support this measure because we recognize the important opportunities on the horizon for Hawai'i to create high quality jobs for local residents that improve our environment, strengthen our global economic standing, and cannot be exported or easily automated. Timing and capacity are key to catching this wave. That is why we need a strong state agency committed to advancing this mission.

Thank you very much for this opportunity to provide testimony in **strong support of HB 2724 HD1**.

Hawaii Energy Policy Forum

Jeanne Schultz Afuvai, Hawaii Inst. for Public Affairs David Bissell, Kauai Island Utility Cooperative Michael Brittain, IBEW, Local Union 1260 Jade Butay, Hawaii Dept of Transportation Caroline Carl, Hawaii Energy Albert Chee, Island Energy Services Elizabeth Cole, The Kohala Center Kyle Datta, Ulupono Initiative Richard DeGarmo, Hawaii Gas Mitch Ewan, UH Hawaii Natural Energy Institute Jay Fidell. Think Tech Hawaii Carl Freedman, Haiku Design & Analysis Matthias Fripp, REIS at University of Hawaii Ford Fuchigami, Ofc of Hawaii State Governor Will Giese, Inter-Island Solar Supply Dale Hahn, Ofc of US Senator Brian Schatz Michael Hamnett, SSRI at University of Hawaii Senator Lorraine Inouye, Hawaii State Legislature Randy Iwase, Public Utilities Commission Darren Kimura, Energy Industries Representative Chris Lee, Hawaii State Legislature Gladys Marrone, Building Industry Assn of Hawaii Stephen Meder, UH Facilities and Planning Sharon Moriwaki, UH Public Policy Center Rocky Mould, Ofc of Climate Change Aina Naniole, Ofc of US Congresswoman Collen Hanabusa Ron Nelson, Defense Logistics Energy Agency Dean Nishina, Divison of Consumer Advocacy Denise Oda, US Department of Agriculture Stan Osserman, HCATT Melissa Pavlicek, Hawaii Public Policy Advocates Randy Perreira, Hawaii Government Employees Assn Fredrick Redell, Maui County Energy Office Rick Rocheleau, UH Hawaii Natural Energy Institute Ross Roley, PACOM Will Rolston, Hawaii County, Research & Development Peter Rosegg, Hawaiian Electric Companies Scott Seu, Hawaiian Electric Companies Carilyn Shon, Hawaii State Energy Office, DBEDT Joelle Simonpietri, Simonpietri LLC Ben Sullivan, Kauai County Lance Tanaka, Par Hawaii Maria Tome, Public Utilities Commission Kirsten Turner, Ofc of US Representative Tulsi Gabbard Alan Yamamoto, Ofc of US Senator Mazie Hirono

Testimony of Lance Tanaka Chair, Fuels Working Group Hawaii Energy Policy Forum

To the House Committee on Finance

February 23, 2018 at 2:00 p.m. in Conference Room 308

SUPPORTING THE INTENT OF HOUSE BILL 2724, HOUSE DRAFT 1, RELATING TO STATE ENERGY AGENCIES

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

I am Lance Tanaka, Chair of the Fuels Working Group of the Hawaii Energy Policy Forum (Forum). The Forum, created in 2002, is comprised of over 40 representatives from Hawaii's electric utilities, oil and natural gas suppliers, environmental and community groups, renewable energy industry, and federal, state and local government, including representatives from the neighbor islands. Our vision and mission, and comprehensive "10 Point Action Plan" serves as a guide to move Hawaii toward its preferred energy goals.

HB 2724, HD 1 establishes the Office of Clean Energy to assume the duties of the energy resources coordinator, presently the director of the Department of Business, Economic Development, and Tourism, and transfers the functions of the State Energy Office to the Office of Clean Energy.

The Forum supports the intent of HB 2754 and wishes to offer the following amendments.

In the area of qualifications for the director of the office of clean energy, candidates should have training and/or experiences in not only the field of renewable energy, but also specifically from the traditional energy field. This is to ensure that the leadership of the office of clean energy can balance the transition away from using fossil fuels with making the best use of available resources during the transition, which will continue to rely on fossil/liquid fuels. Additionally, the director must be able to cogently counsel the governor, public agencies and private industry on energy-related matters encompassing both renewable and traditional energy. For these reasons, the Forum recommends adding language to the following two sections:

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§196-B Director of the office of clean energy; duties.

(b) The director of the office of clean energy shall have:

Hawaii Energy Policy Forum

Jeanne Schultz Afuvai, Hawaii Inst. for Public Affairs David Bissell, Kauai Island Utility Cooperative Michael Brittain, IBEW, Local Union 1260 Jade Butay, Hawaii Dept of Transportation Caroline Carl, Hawaii Energy Albert Chee, Island Energy Services Elizabeth Cole, The Kohala Center Kyle Datta, Ulupono Initiative Richard DeGarmo, Hawaii Gas Mitch Ewan, UH Hawaii Natural Energy Institute Jay Fidell. Think Tech Hawaii Carl Freedman, Haiku Design & Analysis Matthias Fripp, REIS at University of Hawaii Ford Fuchigami, Ofc of Hawaii State Governor Will Giese, Inter-Island Solar Supply Dale Hahn, Ofc of US Senator Brian Schatz Michael Hamnett, SSRI at University of Hawaii Senator Lorraine Inouye, Hawaii State Legislature Randy Iwase, Public Utilities Commission **Darren Kimura, Energy Industries** Representative Chris Lee, Hawaii State Legislature Gladys Marrone, Building Industry Assn of Hawaii Stephen Meder, UH Facilities and Planning Sharon Moriwaki, UH Public Policy Center Rocky Mould, Ofc of Climate Change Aina Naniole, Ofc of US Congresswoman Collen Hanabusa Ron Nelson, Defense Logistics Energy Agency Dean Nishina, Divison of Consumer Advocacy Denise Oda, US Department of Agriculture Stan Osserman, HCATT Melissa Pavlicek, Hawaii Public Policy Advocates Randy Perreira, Hawaii Government Employees Assn Fredrick Redell, Maui County Energy Office Rick Rocheleau, UH Hawaii Natural Energy Institute Ross Roley, PACOM Will Rolston, Hawaii County, Research & Development Peter Rosegg, Hawaiian Electric Companies Scott Seu, Hawaiian Electric Companies Carilyn Shon, Hawaii State Energy Office, DBEDT Joelle Simonpietri, Simonpietri LLC Ben Sullivan, Kauai County Lance Tanaka, Par Hawaii Maria Tome, Public Utilities Commission Kirsten Turner, Ofc of US Representative Tulsi Gabbard Alan Yamamoto, Ofc of US Senator Mazie Hirono

Hawaii Energy Policy Forum Supporting the Intent of HB 2724, HD 1, Relating to State Energy Agencies Page 2

> (1) Training or experience in the field of renewable energy or other related field, and in the field of traditional energy;

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§196-B Director of the office of clean energy; duties.

- (d) Subject to the approval of the governor, the director of the office of clean energy shall:
- $\hspace{1.5cm} \hbox{(8)} \hspace{0.5cm} \hbox{Serve as consultant to the governor, public agencies,} \\$

and private industry on energy-related matters

encompassing

both renewable and traditional energy;

The Forum requests the Committee's favorable consideration of these amendments. Thank you for the opportunity to testify.

This testimony reflects the position of the Forum as a whole and not necessarily of the individual Forum members or their companies

Chair Luke Vice Chair Cullen House Committee on Finance

Friday February 23, 2018 2:00 PM

TESTIMONY IN STRONG SUPPORT OF HB2724 HD1 RELATING TO STATE ENERGY AGENCIES

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

My name is Jun Shin and as a board member at-large for Young Progressives Demanding Action – Hawaii (YPDA Hawaii), a member of the Common Good Coalition. I am **testifying in strong support of HB2724 HD1** relating to state energy agencies.

As Hawaii continues to lead in our environmental stewardship, taking on the mission of becoming 100% renewable by 2045, our work on clean energy, and our commitment to the Paris Climate Accord as a state in response to the federal government, Hawaii needs a state agency that is there to turn our vision into reality.

The Office of Clean Energy would be a big help as we continue in our transition to an economy that is based on clean energy and it will retool the current State Energy Office into an organization that is more efficient, with specific funding, and a stronger mission.

I am a young person, 18 years old, and I am asking you to **please pass HB2724 HD1.** The negative costs of automation and climate change are issues that await my generation as we take on the challenge of becoming the future citizens of tomorrow. Looking at Hawaii, through the work of the Office of Clean Energy, we could see jobs that will fight automation by giving individuals opportunities to take part in protecting our environment while also being an asset to the economy through the jobs that could be created, keeping in mind that these jobs will not as easily be replaceable or easily shipped away as many are gradually becoming. We have this opportunity to change the game for generations to come, but we will need facilitators and the Office of Clean Energy can become those facilitators.

Thank you for this opportunity to testify,

Jun Shin,
Board Member At-Large
Young Progressives Demanding Action – Hawaii
1561 Kanunu St. #2106 Honolulu, HI 96814

Cell: 808-255-6663

Email: junshinbusiness729@gmail.com

<u>HB-2724-HD-1</u> Submitted on: 2/22/2018 1:53:08 PM

Testimony for FIN on 2/23/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	OCC Legislative Priorities Committee, Democratic Party of Hawai'i	Support	No

Hawaii BioEconomy Trade Organization

HOUSE OF REPRESENTATIVES / HAWAII STATE SENATE
THE TWENTY-NINTH LEGISLATURE
REGULAR SESSION OF 2018

COMMITTEE ON WAYS AND MEANS

Rep. Sylvia Luke, Chair, Chair Rep. Ty J.K. Cullen, Vice Chair

DATE: February 23, 2018

TIME: 2:00pm

PLACE: Conference Room 308

State Capitol

415 South Beretania Street

TESTIMONY ON HOUSE BILL NO. 2724 HD1, RELATING TO STATE ENERGY AGENCIES

Position: Support with Recommendations

To the Honorable Rep. Sylvia Luke, Chair; the Honorable Rep. Ty J.K. Cullen, Vice Chair; and Members of the Committee:

Thank you for the opportunity to provide written testimony on House Bill No. 2724 HD1.

The Hawaii Bioeconomy Trade Association (HBeTO) is a newly forming non-profit trade association with members engaged in the production or development of integrated food, energy, and waste-re-use projects to help the State of Hawai'i meet its ambitious renewable energy and local food production goals and mandates. At the 3rd Annual Bioeconomy Hawaii Forum held at the Capitol in January 2018, a maximum-capacity group of over 120 attendees from the private, public, and non-profit sectors convened to discuss opportunities and challenges to sustainable business producing integrated food, energy, and value-added products in Hawaii and to vote on priorities for policy and industry standards and facilitation.

With respect to the desire for discussion, we offer that the legislature unanimously adopted S.C.R. No. 121, Regular Session of 2017, calling for a Hawaii green fuels initiative to increase jobs and local food and biofuel feedstock production across the State, as an example of prior legislative intent and discussion. This resolution came on the 10-year anniversary of Act 253, Session Laws of Hawaii 2007, which required the State to develop a Hawaii Bioenergy Master Plan and associated program and staffing support. DBEDT's foreword to the final report to the Legislature for Act 253 states "The Bioenergy Master Plan project is just the beginning of a statewide effort to understand the current and future potential of energy from – and for – Hawaii's agricultural sector. This is an important area, with great potential and implications for both energy and food security. We are working to develop a common vision and understanding of the opportunities while acknowledging the legal, environmental, and business realities that need to be addressed at every step along the way... As stated in HNEI's Executive Summary, the enabling legislation stated as its primary intent "develop a Hawaii renewable biofuels program." Thus, although the document includes information on the many private sector activities taking place, the emphasis is on government actions."

We offer that all parts of SB3077SD1 support that legislative intent.

Unfortunately, the state's four established fuel refining companies (Par Hawaii, Island Energy Services, Hawaii Gas, and Pacific Biodiesel) together comprise over 90% of the State's manufacturing sector and 100% of the

Hawaii BioEconomy Trade Organization

renewable fuel production capability in the State, and refine or distribute over two-thirds of the energy consumed in the state. These companies currently have no fuels specialist or counterpart to call upon at the Hawaii State Energy Office. There currently is no position at the Hawaii State Energy Office or DBEDT staff member responsible for advising the DBEDT Director, Governor, or Legislature on technical, market, or policy developments in the area of traditional or renewable fuels, or air or marine transportation fossil carbon replacement. There is no-one clearly responsible for facilitating information sharing between state, federal, and county levels across the important issues that renewable fuels touch upon, such as agriculture, water, health, waste re-use, and planning and permitting. Adding a Biofuel Facilitator position to DBEDT/HSEO to this bill would establish one (1) of the existing thirty—six (36) Hawaii State Energy Office (HSEO) positions to fill this important facilitation role. The position would be funded by the current and existing funding mechanism in statute, the "barrel tax" Energy Security Special Fund.

We submit this testimony in support of HB2724HD1, and recommend the following amendments to HD1 for the Committee's consideration:

- Add Biofuel Facilitator position to DBEDT/HSEO as suggested in SB3077SD1
- Add a requirement for office of planning to consider in-state food and agricultural production and integrated food and energy systems.
- Facilitate and remove road blocks; improve infrastructure; reduce cost
- Rather than establish a cabinet-level position, change the responsibilities of DBEDT director to consider economy, traditional energy, and coordinate with agriculture, transportation, DLNR, DOH

Many thanks for your time and consideration

Carl Campagna
Executive Director
Hawaii Bioeconomy Trade Organization
808-383-7699
Ccampa1@msn.com

Submitted on: 2/22/2018 8:10:25 AM

Testimony for FIN on 2/23/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Nathan Yuen	Individual	Support	No

Comments:

Dear Chair Sylvia Luke and Vice-Chair Ty J.K. Cullen:

I strongly support HB2724 HD1 which establishes the Office of Clean Energy to assume the duties of the energy resources coordinator.

Efforts taken by the universities, public schools, executive departments, and other government entities have already begun to save taxpayer money by reducing the government's electricity costs. However, those efforts lack statewide coordination, preventing economies of scale to maximize savings. While some departments have made substantial progress, others have yet to commence meaningful activities. Tasking a single agency to plan for energy savings measures across all public facilities and assist government entities already working to reduce energy costs is a necessary step to maximize taxpayer savings.

I strongly support HB2724 HD1. Thank for for this opporunity to testify on this important matter.

Sincerely,

Nathan Yuen

<u>HB-2724-HD-1</u> Submitted on: 2/22/2018 9:04:13 AM

Testimony for FIN on 2/23/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Mary Lacques	Individual	Support	No

<u>HB-2724-HD-1</u> Submitted on: 2/22/2018 10:42:07 AM

Testimony for FIN on 2/23/2018 2:00:00 PM

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

Submitted on: 2/22/2018 3:42:59 AM

Testimony for FIN on 2/23/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Michael Reed Gach	Individual	Support	No	

Comments:

I urge you to support this Clean Energy bill to appropriates moneys for a very good cause.

Please SUPPORT -- HB2724 HD1

Mahalo, Michael Gach, Kihei Maui resident

Submitted on: 2/22/2018 11:09:38 AM

Testimony for FIN on 2/23/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Denise Boisvert	Individual	Support	No

Comments:

This passage of this bill that would establish the Office of Clean Energy will be a green light for the success of the 2045 goal for 100% renewable energy in 2045. I support Bill 2724.

<u>HB-2724-HD-1</u> Submitted on: 2/22/2018 11:16:17 AM

Testimony for FIN on 2/23/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Merle Hayward	Individual	Support	No

Comments:

STRONGLY SUPPORT HD1

Submitted on: 2/22/2018 11:22:10 AM

Testimony for FIN on 2/23/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Kim Jorgensen	Individual	Support	No

Comments:

I support HB 2724 because the highly-focused oversight that the Office of Clean Energy will have is key to obtaining 100% renewable energy status by 2045.

<u>HB-2724-HD-1</u> Submitted on: 2/22/2018 12:01:07 PM

Testimony for FIN on 2/23/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Shannon Rudolph	Individual	Support	No

Comments:

Support

<u>HB-2724-HD-1</u> Submitted on: 2/22/2018 1:30:03 PM

Testimony for FIN on 2/23/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Submitted on: 2/22/2018 1:44:40 PM

Testimony for FIN on 2/23/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Sarah Toole	Individual	Support	No

Comments:

I strongly support this measure.

Sarah Toole

1128 Ala Napunani St 96818

UH Manoa Political Science student

<u>HB-2724-HD-1</u> Submitted on: 2/22/2018 3:56:38 PM

Testimony for FIN on 2/23/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Sandra Fujita	Individual	Support	No



Submitted on: 2/22/2018 3:57:27 PM

Testimony for FIN on 2/23/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Diane Ware	Individual	Support	Yes	

Comments:

This office oversight is much needed to move efficiently and transparently toward renewable energy in Hawaii to meet our goals.

Mahalo

Diane Ware 99-7815 Kapoha Volcano HI96785 808-967-8642

<u>HB-2724-HD-1</u> Submitted on: 2/22/2018 8:02:41 PM

Testimony for FIN on 2/23/2018 2:00:00 PM



Submitted By	Organization	l estifier Position	Present at Hearing
Cory Harden	Individual	Support	No