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HAWAII



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M. KALEO MANUEL
DEPUTY DIRECTOR - WATER

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BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
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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 Senate Committees on
WAYS AND MEANS

Wednesday, March 2, 2022
10:15AM

State Capitol, Conference Room 211, Via Videoconference

In consideration of
SENATE BILL 3325, SENATE DRAFT 1
RELATING TO CARBON SEQUESTRATION INCENTIVES

Senate Bill 3325, Senate Draft 1 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; 2) Recommend compensation rates and contract terms for eligible phase I activities; 3) Assist in estimating sequestration rates for carbon positive practices; 4) Serve on the reviewing committee for project applications and reports; 5) Research and develop the technical underpinning of compensation rates for phase II eligible practices; and 6) Conduct community and landowner outreach activities. **The Department supports this bill and offers comments.**

The State of Hawaii's commitment to uphold the Paris Climate Accord and progressive move towards zero emissions clean economy by 2045 requires that we actively invest in reducing our emissions and mitigate greenhouse gases (primarily carbon dioxide - CO₂). 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.

The Department proposes the measure revert to its original form with the Hawaii Green Infrastructure Authority (HGIA) as the implementing agency. HGIA has the financial expertise to get funding to land managers quickly. In the original version of the bill, HGIA is required to coordinate with relevant agencies to provide subject matter support. The Department recognizes the importance of getting this program up and running as quickly as possible and suggests HGIA as the implementing entity is the best way to do that.

Thank you for the opportunity to comment 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
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**TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS

MARCH 2, 2022

10:15 A.M.

VIA VIDEOCONFERENCE

**SENATE BILL NO. 3325 SD1
RELATING TO CARBON SEQUESTRATION INCENTIVES**

Chairperson Dela Cruz and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 3325, SD1 that establishes within the Office of State Planning and Sustainable Development, 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. 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 12, line 19 to page 13, line 7)

"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 the Office of Planning and Sustainable Development 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 farmers.

The companion to SB3325 is HB2493 which establishes the Hawaii Green Infrastructure Authority 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 SENATE COMMITTEE ON WAYS AND MEANS
ON
SENATE BILL NO. 3325, S.D. 1

March 2, 2022
10:15 a.m.
Room 211 and Videoconference

RELATING TO CARBON SEQUESTRATION INCENTIVES

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

Senate Bill No. 3325, S.D. 1, amends Section 225P-6, HRS, to establish the Hawai'i Farmland and Forest Soil Health Carbon Smart Incentive Program (program) under the Office of Planning and Sustainable Development (OPSD) 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 OPSD 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. The measure also requires the Greenhouse Gas Sequestration Task Force to establish a reviewing committee to review program applications and submit regular reports prior to the convening of each regular legislative session.

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:

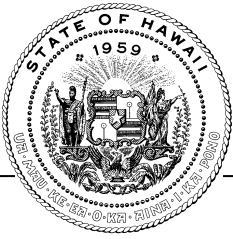
- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support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



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

DAVID Y. IGE
GOVERNOR

MARY ALICE EVANS
DIRECTOR

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Telephone: (808) 587-2846
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Statement of
MARY ALICE EVANS
Director, Office of Planning and Sustainable Development
before the
SENATE COMMITTEES ON WAYS AND MEANS
Wednesday, March 2, 2022
10:15 AM
State Capitol, Conference Room 211
on
SB 3325, SD 1
RELATING TO CARBON SEQUESTRATION INCENTIVES.

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Senate Committee on Ways and Means.

The Office of Planning and Sustainable Development (OPSD) **offers comments and amendments** on SB 3325, 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 OPSD has been researching, publishing materials, and working on carbon sequestration issues with extremely 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 State's Greenhouse Gas Sequestration Task Force is a 19-member permanent 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. The Greenhouse Gas Sequestration Task Force received only 1 sole appropriation of \$150,000 funding in 2018, which yielded 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, which strongly recommended the establishment of:

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

to subsidize and support 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 OPSD has long and strong record supporting greenhouse gas sequestration, despite its funding challenges and lack of staff support to administer the State's Greenhouse Gas Sequestration Task Force.

The OPSD believes that in an effort to not duplicate the roles and responsibilities between state agencies and state boards and commissions, that the reviewing committee as proposed on Page 7 of SB 3325, could be conducted by the State's Greenhouse Gas Sequestration Task Force, which is similarly required to provide annual reports to the Legislature.

The OPSD further suggests that the language in this bill be inserted and replace the language in HRS §225P-6; since the OPSD has previously recommended against State-administered Carbon Offsetting.

Finally, given the intense land use planning and land management as described in SB 3325 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 OPSD strongly recommends that the Legislature consider the OPSD as the coordinating agency of the proposed "Hawai'i farmland and forest soil health carbon smart incentives program."

The OPSD is on record for the past 5 Legislative Sessions since 2018 requesting staff support for the State's 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 OPSD would be very prepared to implement this important climate mitigation program for the benefit of the State of Hawai'i, its people, and future generations.

Thank you for the opportunity to testify on this measure.

SB-3325-SD-1

Submitted on: 2/27/2022 5:54:15 AM

Testimony for WAM on 3/2/2022 10:15:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Christopher Dean	Testifying for 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.

Support Testimony for SB3325 SD1

Aloha. I'm testifying on behalf of Kauai Climate Action Coalition, a group of engaged citizens from diverse backgrounds and ages who recognize the need for urgent action to address the climate crisis. We support SB3325 SD1. This bill not only will sequester greenhouse gases, but this program will also increase local food production, improve soil health, and secure resilient water sources Both

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. Programs such as this that increase local food production are an effective means to promote greater food and water security.

This program will incentivize both regenerative agriculture and forest preservation and thereby help Hawaii reach its climate readiness goals. In addition, it will add to the quality of life in Hawaii.

Please support and pass SB3325 SD1.

SB-3325-SD-1

Submitted on: 2/27/2022 6:05:49 PM

Testimony for WAM on 3/2/2022 10:15:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
laurel brier	Testifying for 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. We must address the complex and catastrophic problem of climate change from all angles. This is an excellent approach



To: The Senate Committee on Ways and Means
From: Sherry Pollack, 350Hawaii.org
Date: Wednesday, March 2, 2022, 10:15am

In support of SB3325 SD1

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Committee members of Ways and Means,

I am Co-Founder of the Hawaii chapter of 350.org, the largest international organization dedicated to fighting climate change. 350Hawaii.org **supports SB3325 SD1** 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



**Testimony to
The Committee on Ways & Means**

**Wednesday, March 2, 2022
10:15 AM
VIA Video Conference
Conference Room 211, Hawaii State Capitol**

SB 3325 SD2

Chair Dela Cruz, Vice Chair Keith Agaran, and members of the committee,

Hawaii Gas **supports SB 3325 SD2**, 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 SB 3325 SD2.

Thank you for the opportunity to testify.

SB-3325-SD-1

Submitted on: 2/28/2022 11:38:08 AM

Testimony for WAM on 3/2/2022 10:15:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Ted Bohlen	Testifying for Climate Protectors Hawai'i	Support	No

Comments:

To: The Honorable Donovan Dela Cruz, Chair, The Honorable Gilbert Keith-Agaran, Vice Chair, and Members of the Senate Committee on Ways and Means:

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

Re: Hearing **SB3325 SD2 RELATING TO CARBON SEQUESTRATION INCENTIVES.**

Hearing: Wednesday, March 2, 2022, 10:15 a.m., CR 308 and by videoconference

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Senate Committee on Ways and Means:

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 SB3325 SD1** 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)

SB-3325-SD-1

Submitted on: 2/28/2022 4:15:49 PM

Testimony for WAM on 3/2/2022 10:15:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
candis thomas	Testifying for Puamana Gardens	Support	No

Comments:

As a small farm owner and a member of the HFUU I strongly support Bill 3325, SD1 which will provide much needed support for the future of our soil health. A Carbon Smart incentive program will help guarantee the future of farming for the islands for generations to come.

Thank you

Candis Thomas

**Testimony of The Nature Conservancy
Supporting SB 3325 SD1, RELATING TO CARBON SEQUESTRATION INCENTIVES.
Committee on Ways and Means
March 2, 2022, 10:15 am
Conference Room 211 via videoconference**

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

The Nature Conservancy (TNC) supports SB 3325 SD 1, 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 (AFOLU) 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. TNC also supports all State agencies engaged in AFOLU efforts to play active roles in the program's implementation.

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, protecting our reefs from sedimentation and stress; and support our local producers and growers.

Mahalo for the opportunity to provide testimony on SB 3325 SD1.

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.

BOARD OF TRUSTEES

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e-mail info@hfbf.org; www.hfbf.org

March 2, 2022

HEARING BEFORE THE
SENATE COMMITTEE ON WAYS AND MEANS

TESTIMONY ON SB 3325, SD1
RELATING TO CARBON SEQUESTRATION INCENTIVES

Conference Room 211 & Videoconference
10:15 AM

Aloha Chair Dela Cruz, Vice-Chair Keith-Agaran, 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 SB 3325, SD1, 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.

- 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.
- 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.



Hawaii Cattlemen's Council, Inc.

COMMITTEE ON WAYS AND MEANS
Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

SB3325 SD1

Relating to CARBON SEQUESTRATION INCENTIVES

Wednesday, March 2, 2022, 10:15 AM
VIA VIDEOCONFERENCE

Chair Dela Cruz, Vice Chair Keith-Agaran, 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 SB3325 SD1** to establish the Hawaii farmland and forest soil health carbon smart incentive program (program) to incentivize carbon sequestration activities. We support the changes made in this draft for the Office of Planning and Sustainable Development to coordinate the program, with the greenhouse gas sequestration task force establishing a review committee.

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. 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

To: The Honorable Donovan Dela Cruz, Chair
The Honorable Gilbert Keith-Agaran, Vice Chair
Committee on Ways and Means

Re: **SB 3325 SD 1 – RELATING TO CARBON SEQUESTRATION INCENTIVES**
Hearing: Wednesday, March 2, 2022, 10:15 a.m., Conference Room 211 and
Via Videoconference

Position: **Strong support**

Aloha, Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means:

The Environmental Caucus of the Democratic Party of Hawai'i stands in strong support of SB 3325 SD1. This measure would establish the Hawaii 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. This measure appropriates funds for positions and for administering the program.

This Program would incentivize practices that increase soil health and reduce carbon emissions through carbon sequestration and storage over a designated period on eligible land. Such practices include reforestation, building windbreaks, conservation tillage and reduced field pass intensity, improved forages, controlling invasive species, efficient nutrient management, crop diversity through rotations and cover crops, manure management, rotational grazing and improved forages, waste-stream derived amendment application, improved cropping and organic systems, and feed management.

For these reasons, the Environmental Caucus of the Democratic Party of Hawai'i supports SB 3325 SD1 as it will incentivize programs that will assist in combating the climate crisis through soil health and carbon sequestration activities.

Mahalo for the opportunity to testify,

Melodie Aaiya

Alan Burdick

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

Email: legislativepriorities@gmail.com

SB-3325-SD-1

Submitted on: 2/27/2022 10:33:49 AM

Testimony for WAM on 3/2/2022 10:15:00 AM

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

Comments:

Dear Chair and Committee Members,

Hawaii needs to 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 do that.

-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 an increase in the frequency of 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.

Please support this measure so essential for lowering GH emissions to support future life on this island and planet.

Respectfully,

Diane Ware, 99-7815 Kapoha Pl, Volcano Hi

SB-3325-SD-1

Submitted on: 2/27/2022 1:03:57 PM

Testimony for WAM on 3/2/2022 10:15:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
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

SB-3325-SD-1

Submitted on: 2/27/2022 1:10:57 PM

Testimony for WAM on 3/2/2022 10:15:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Thomas Brandt	Individual	Support	No

Comments:

Support!

SB-3325-SD-1

Submitted on: 2/27/2022 3:19:55 PM

Testimony for WAM on 3/2/2022 10:15:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
tlaloc tokuda	Individual	Support	No

Comments:

Dear WAM Chair and committee, i support SB3325 SD1. Please pass this out of committee.

Hawaii needs to 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 do that.

-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 an increase in the frequency of 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 for your consideration

Tlaloc Tokuda

Kailua Kona HI 96740

SB-3325-SD-1

Submitted on: 2/27/2022 5:09:04 PM

Testimony for WAM on 3/2/2022 10:15:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Caroline Kunitake	Individual	Support	No

Comments:

I support SB3325 SD1.

SB-3325-SD-1

Submitted on: 2/27/2022 7:25:05 PM

Testimony for WAM on 3/2/2022 10:15:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Gerard Silva	Individual	Oppose	No

Comments:

More BULL SHIT ! When will you people learn that the jig is up and we know what is going on now and you will not be able to get away with it any longer!!

SB-3325-SD-1

Submitted on: 2/28/2022 1:09:34 AM

Testimony for WAM on 3/2/2022 10:15:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Janet L Pappas	Individual	Support	No

Comments:

Dear WAM Chair Dela Cruz, Vice Chair Keith-Agaran 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, the resulting soil and plants are healthier and sequestration can help secure resilient water sources. Hawaii farmers and forestry stewards will also benefit by receiving incentives for their carbon sequestering efforts. Farmers can take advantage of regenerative and organic farming techniques and increase their local food production.

Please pass SB3325 SD1 to pay for program administration and incentives paid to land caregivers. The benefits to Hawaii's people and the planet will outweigh the program costs.

Mahalo for listening.

Sincerely,

Jan Pappas

Aiea, Hawaii 96701

SB-3325-SD-1

Submitted on: 2/28/2022 12:53:31 PM

Testimony for WAM on 3/2/2022 10:15:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Douglas Perrine	Individual	Support	No

Comments:

Carbon sequestration is critical to maintaining the health of our climate and environment. I support incentives to promote carbon sequestration.

SB-3325-SD-1

Submitted on: 2/28/2022 1:14:49 PM

Testimony for WAM on 3/2/2022 10:15:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Lois Crozer	Individual	Support	No

Comments:

Soil health and carbon sequestration is important for the future of our planet. Please pay attention and pass this bill.

SB-3325-SD-1

Submitted on: 2/28/2022 1:25:34 PM

Testimony for WAM on 3/2/2022 10:15:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Robert Quartero	Individual	Support	No

Comments:

Aloha Chair Dela Cruz and committee members,

I am in strong support of SB3325 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. Additionally, in order to meet this goal, SB3325 requires the appropriation of funding for positions and for administering the program. I ask for your strong support in favor of passing SB3325 and I thank you for the opportunity to testify.

SB-3325-SD-1

Submitted on: 2/28/2022 1:39:10 PM

Testimony for WAM on 3/2/2022 10:15:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Donn DeShayne	Individual	Support	No

Comments:

Hello Thank you for reading my testimony. We need to encourage carbon sequestration through mulching and cover crops. Having an incentive for farmers will help them realize the benefits of removing carbon from the atmosphere and enriching the health of our soils, especially the ones depleted through years of sugarcane production. Old habits are hard to change and incentives usually help make that change. Once farmers see the value in terms of soil productivity and water retention they will be sold on the process and continue the practice. Mahalo.

SB-3325-SD-1

Submitted on: 2/28/2022 3:10:30 PM

Testimony for WAM on 3/2/2022 10:15:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
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

SB 3325 SD 1 TESTIMONY

To: Senate Committee on Ways and Means
Hearing on March 2, 2022 at 10:15 a.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 should be avoided.

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

SB-3325-SD-1

Submitted on: 2/28/2022 6:08:31 PM

Testimony for WAM on 3/2/2022 10:15:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Robert Boudreaux	Individual	Support	No

Comments:

Hawaii has the opportunity to enhance the fight against global warming by passing this bill. As an island entity it behooves us to leave no stones unturned in our quest to create a habitable planet for our keiki. This bill is a step in the right direction and one, as a Farmer, I know will work myriad benefits.

SB-3325-SD-1

Submitted on: 2/28/2022 7:13:54 PM

Testimony for WAM on 3/2/2022 10:15:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Shannon Lush	Individual	Support	No

Comments:

In order to improve our soil here in Hawaii, and in turn help our crops, we need more carbon sequestration incentives. Mahalo.

SB-3325-SD-1

Submitted on: 2/28/2022 8:36:05 PM

Testimony for WAM on 3/2/2022 10:15:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Jennifer Koon	Individual	Support	No

Comments:

By creating carbon sequestration incentives, may more regenerative farming methods be used in agricultural activities across the state.

Mahalo for the opportunity to testify,

Jenn Koon

SB-3325-SD-1

Submitted on: 3/1/2022 12:26:37 AM

Testimony for WAM on 3/2/2022 10:15:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Thomas Craig	Individual	Support	No

Comments:

Carbon sequestration in soil is essential to greenhouse gas mitigation and soil regeneration.

SB-3325-SD-1

Submitted on: 3/1/2022 7:58:36 AM

Testimony for WAM on 3/2/2022 10:15:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Gregory R Cromwell	Individual	Support	No

Comments:

I support sb3325sd1

SB-3325-SD-1

Submitted on: 3/1/2022 8:11:07 AM

Testimony for WAM on 3/2/2022 10:15:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Dennis F Lokmer	Individual	Support	No

Comments:

Strong support for this bill

SB-3325-SD-1

Submitted on: 3/1/2022 8:14:09 AM

Testimony for WAM on 3/2/2022 10:15:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Yoshito L'Hote	Individual	Support	No

Comments:

As a farmer we need to provide as many financial support to continue to help food production, this legislation is a step forward in establishing the true value that ag brings and that it can be measured in dollars to the farm is great.

Yosh

SB-3325-SD-1

Submitted on: 3/1/2022 8:22:58 AM

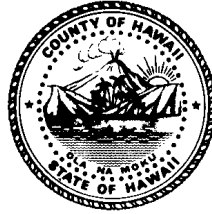
Testimony for WAM on 3/2/2022 10:15:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Michelle Matson	Individual	Support	No

Comments:

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

REBECCA VILLEGAS
Council Member
District 7, Central Kona



PHONE: (808) 323-4267
FAX: (808) 323-4786
EMAIL: 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

March 1, 2022
TESTIMONY OF REBECCA VILLEGAS
COUNCIL MEMBER, HAWAI'I COUNTY COUNCIL
ON SB 3325 SD1, RELATING TO CARBON SEQUESTRATION INCENTIVES
Committee on Ways and Means
Wednesday, March 2, 2022 at 10:15am

Aloha Chair Dela Cruz 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.

I support SB3325 SD1 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. The passing of SB3325 will be a step in the right direction.

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

Mahalo for your consideration.

Rebecca Villegas
Council Member, Hawai'i County Council

SB-3325-SD-1

Submitted on: 3/1/2022 9:27:09 AM

Testimony for WAM on 3/2/2022 10:15:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Charles Matthew Shofman	Individual	Support	No

Comments:

Aloha Esteemed Committee,

I am in strong support of SB3325. We can do more to fight the environmental challenges already impacting our islands. These challenges are sure to grow in the coming years. Taking proactive steps like incentivising carbon sequestration is an important role we can take on now to begin securing our safety and prosperity in Hawai'i.

Mahalo for the opportunity to testify!