

STATE OF HAWAI'I HAWAI'I CLIMATE CHANGE MITIGATION & ADAPTATION COMMISSION

POST OFFICE BOX 621 HONOLULU, HAWAII 96809

> **Testimony of** Leah Laramee

Coordinator, Hawai'i Climate Change Mitigation and Adaptation Commission

Before the House Committee on ENERGY & ENVIRONMENTAL PROTECTION

Tuesday, January 31, 2023 8:30 AM State Capitol, Via Videoconference, Conference Room 325

In support of House Bill 191 RELATING TO BUILDINGS

House Bill 191 requires the public utilities commission to establish an estimated social cost of carbon and for each regulated electric and gas utility to use the estimated social cost of carbon in the utility's respective integrated resource planning process. Requires the State to consider the estimated social cost of carbon in planning new infrastructure and capital improvement projects and when designing and constructing new buildings. The Hawai'i Climate Change Mitigation and Adaptation Commission (Commission) supports this measure.

The social cost of carbon (SCC) is an estimate, in dollars, of the economic damages that would result from emitting one additional ton of carbon dioxide into the atmosphere. The SCC is currently used by local, state, and federal governments to inform billions of dollars of policy and investment decisions in the United States and abroad. Using the SCC can be helpful in estimating of the damages that putting an extra ton of carbon into the atmosphere will do. It's a useful benchmark because it allows decision makers to understand if the preventative measures they are proposing are worth the money, or if they are being cancelled out by other "carbon expensive" projects. It looks at the long-term costs and impacts a project might have. The SCC is an indicator of how much it's worthwhile to spend in order to prevent climate change damages. By establishing an estimated social cost of carbon and for each regulated electric and gas utility, in planning new infrastructure and capital improvement projects and when designing and constructing new buildings the State will better be able to realize the full cost of projects and correct the balance as to where public funds are spent by uncloaking the cost of carbon.

Mahalo for the opportunity to comment in support of this measure.

Co-Chairs: Chair, DLNR

Director, OPSD

Chair, Senate AEN Chair, Senate WTL Chair, House EEP Chair House WAI Chairperson, HTA Chairperson, DOA CEO, OHA Chairperson, DHHL Director, DBEDT Director, DOT Director, DOH Chairperson, DOE Director, C+C DPP Director, Maui DP Director, Hawai'i DP Director, Kaua'i DP The Adjutant General

Manager, CZM

TESTIMONY OF LEODOLOFF R. ASUNCION, JR. CHAIR, PUBLIC UTILITIES COMMISSION STATE OF HAWAII

TO THE HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

January 31, 2023 8:30 a.m.

Chair Lowen, Vice Chair Cochran, and Members of the Committee:

MEASURE: H.B. No. 191

TITLE: RELATING TO CLIMATE MITIGATION

DESCRIPTION: Requires the public utilities commission to establish an estimated social cost of carbon; each regulated electric and gas utility to use the estimated social cost of carbon in the utility's respective integrated resource planning process; and the State to consider the estimated social cost of carbon in planning new infrastructure and capital improvement projects and when designing and constructing new buildings.

POSITION:

The Public Utilities Commission ("Commission") offers the following comments for consideration.

COMMENTS:

The Commission appreciates the intent of this measure to allow for the use of the cost of greenhouse gas emissions (also known as the social cost of carbon) in electric and gas utility integrated resource planning processes. The social cost of carbon, the social cost of methane, and the social cost of nitrous oxides are collectively referred to as the social cost of greenhouse gases (SC-GHG). The concept of the SC-GHG can be summarized as an estimate of the economic costs, or societal damages in dollars, associated with emitting one additional ton of greenhouse gas into the atmosphere. The SC-GHG puts the effects of climate change into economic terms to help policymakers and other

decisionmakers understand the economic impacts of decisions that would increase or decrease emissions. It may be appropriate to use SC-GHG when conducting benefit-cost analyses of utility plans, programs, and projects that affect GHG emissions.

The Commission believes that other entities, such as the U.S. Government's Interagency Working Group on the SC-GHG (IWG),¹ are better suited for developing estimates for a social cost of carbon than the Hawaii Public Utilities Commission.

Establishing reasonable estimates of the SC-GHG or social cost of carbon requires years of robust modeling and scientific analysis lead by multi-institutional teams of qualified researchers. The IWG is currently working to provide updated estimates for SC-GHG. In September 2022, the EPA, which is a member of the IWG, released a report on the social cost of greenhouse gases that presents a range of estimates across different discount rates.² Since the social cost of carbon is not state specific, a calculation might be needed in order to covert this nationwide benchmark to a State specific benchmark.

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¹ On January 20, 2021, President Biden issued E.O. 13990 which re-established the Interagency Working Group on the Social Cost of Greenhouse Gases (IWG). E.O. 13990 established that the Chair of the Council of Economic Advisers, Director of OMB, and Director of the Office of Science and Technology Policy shall serve as Co-Chairs of the Working Group. Membership includes the following other officers, or their designees: the Secretary of the Treasury; the Secretary of the Interior; the Secretary of Agriculture; the Secretary of Commerce; the Secretary of Health and Human Services; the Secretary of Transportation; the Secretary of Energy; the Chair of the Council on Environmental Quality; the Administrator of the Environmental Protection Agency; the Assistant to the President and National Climate Advisor; and the Assistant President for Economic Policy and Director of the National Economic Council. The E.O. also established that "In carrying out its activities, the Working Group shall consider the recommendations of the National Academies of Science, Engineering, and Medicine as reported in Valuing Climate Damages: Updating Estimation of the Social Cost of Carbon Dioxide (2017) and other pertinent scientific literature; solicit public comment; engage with the public and stakeholders; seek the advice of ethics experts; and ensure that the "social cost of carbon" (SCC), "social cost of nitrous oxide" (SCN), and "social cost of methane" (SCM) reflect the interests of future generations in avoiding threats posed climate E.O. 13990 Available At: by change. https://www.energy.gov/sites/default/files/2021/02/f83/eo-13990-protecting-public-healthenvironment-restoring.pdf

² U.S. EPA. Sept. 2022. "Report on the Social Cost of Greenhouse Gases: Estimates Incorporating Recent Scientific Advances." Accessed at: https://www.epa.gov/system/files/documents/2022-11/epa.scghg-report_draft_0.pdf

Several PUCs across the nation use the SC-GHG established by the IWG in utility analysis and decision-making for resource compensation,³ resource planning,⁴ and costbenefit analysis.⁵

Should the Legislature wish to have the social cost of greenhouse gases used in electric and gas utilities' integrated resource plans and/or proposals for new generation projects, the Commission suggests changes in language as follows.

SECTION 1. [] The legislature also finds that the public utilities commission should develop estimates for a social cost of carbon and that require regulated electric and gas utilities should be required to use these estimates the Social Cost of Carbon (SC-CO₂), Methane (SC-CH₄), and Nitrous Oxide (SC-N₂O) emissions established by the U.S. Government's Interagency Working Group on the Social Cost of Greenhouse Gases when determining the cost, benefit, or net present value of any integrated resource plan or project proposal. in their integrated resource planning processes to account for the social cost of carbon emissions.

. . .

Accordingly, the purpose of this Act is to require:

(1) The public utilities commission to develop an estimated social cost of carbon;

 $\frac{(2)}{(1)}$ Each regulated electric and gas utility to use the estimated social cost of carbon $\frac{(SC-CO_2)}{(SC-N_2O)}$, methane $\frac{(SC-CH_4)}{(SC-N_2O)}$, and nitrous oxide $\frac{(SC-N_2O)}{(SC-N_2O)}$ emissions established by the U.S. Government's Interagency

³ The New York Public Service Commission and Illinois legislature used IWG SCC estimates when designing nuclear incentives under Zero Emission Credit (ZEC) programs. Separately, the NYISO and PJM have proposed including an SCC in their wholesale energy markets.

⁴ Colorado, Minnesota, Nevada, and Washington now require electric utilities in their jurisdiction to use an SCC in their integrated resource plans (IRPs), and may consider these costs when approving specific resource options.

⁵ PUCs and utilities in California, Connecticut, and Maryland have used the social cost of carbon to conduct cost-benefit analyses when valuing distributed energy resources and energy efficiency programs.

Working Group on the Social Cost of Greenhouse Gases in that utility's respective integrated resource planning process and project proposals; and

(3) (2) The State to consider the estimated social cost of carbon in planning new infrastructure and capital improvement projects and when designing and constructing new buildings.

. . .

SECTION 3. []

"§269- Social cost of carbon; estimate; requirements.

- (a) The public utilities commission shall require regulated electric and gas utilities to use the Social Cost of Carbon (SC-CO₂), Methane (SC-CH₄), and Nitrous Oxide (SC-N₂O) emissions established by the U.S. Government's Interagency Working Group on the Social Cost of Greenhouse Gases when determining the cost, benefit, or net present value of any integrated resource plan or project proposal. establish an estimated social cost of carbon.
- (b) Each electric or gas utility that is regulated by the public utilities commission under this chapter shall use the estimated social cost of carbon established under subsection (a) in the utility's respective integrated resource planning process.
- (c) The public utilities commission shall use the estimated social cost of cost of carbon greenhouse gas emissions established under subsection (a) in assessing penalties for delays in integrating renewable energy projects and programs that lower carbon emissions."

The Commission is willing to work with the Committee and stakeholders to further develop language that will accommodate the State's effort to enable comprehensive and cost-effective assessments of utility infrastructure investments.

Thank you for the opportunity to testify on this measure.



JOSH GREEN, M.D. GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA

STATE OF HAWAII | KA MOKUʻĀINA 'O HAWAIʻI OFFICE OF THE DIRECTOR DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS KA 'OIHANA PILI KĀLEPA

NADINE Y. ANDO DIRECTOR | KA LUNA HO'OKELE

DEAN I HAZAMADEPUTY DIRECTOR | KA HOPE LUNA HO'OKELE

335 MERCHANT STREET, ROOM 310 P.O. BOX 541 HONOLULU, HAWAII 96809 Phone Number: (808) 586-2850 Fax Number: (808) 586-2856

Testimony of the Department of Commerce and Consumer Affairs

cca.hawaii.gov

Before the
House Committee on Energy & Environmental Protection
Tuesday, January 31, 2023
8:30 a.m.
Conference Room 325

On the following measure: H.B.191, RELATING TO CLIMATE MITIGATION

Chair Lowen and Members of the Committee:

My name is Dean Nishina, and I am the Acting Executive Director of the Department of Commerce and Consumer Affairs' (Department) Division of Consumer Advocacy. The Department offers comments on this bill.

The purpose of this bill is to require: (1) the Public Utilities Commission (Commission) to establish an estimated social cost of carbon; (2) each regulated electric and gas utility to use the estimated social cost of carbon in the utility's respective integrated resource planning process; and (3) the State to consider the estimated social cost of carbon in planning new infrastructure and capital improvement projects and when designing and constructing new buildings.

The Department appreciates the intent of this bill to include an estimate of the social cost of carbon in the Commission's deliberations, the utilities' integrated resource planning process and the State's new building construction. It is likely that the development of an estimate of the social cost of carbon will be highly contentious and,

Testimony of DCCA H.B. 191 Page 2 of 2

given that the estimate will be used in matters outside of the Commission's jurisdiction, further consideration of whether the Commission should be the agency responsible for that estimate may be necessary.

The Department further notes that, pursuant to Hawaii Revised Statutes (HRS) section 269-6b, the Commission is already required to consider the greenhouse gas emissions when determining the reasonableness of the costs pertaining to electric or gas utility system capital improvements and operations.

Most importantly, the Department is concerned that customers' costs may be increased if regulated energy companies are allowed to recover costs that are unrelated to the provision of utility services, such as social costs, from customers. In order to prevent such an occurrence, the Department respectfully requests that the committee consider including language that makes clear that a regulated utility company is prohibited from recovering any penalties based on the social cost of carbon from customers. In addition, the proposed bill is silent on the treatment of the penalties that may be collected and, if intentional, the Department appreciates the flexibility that will be granted to the Commission to determine how the penalties may be used. The Department offers, however, that it may be appropriate to consider whether any penalties collected could be placed in the Commission's special fund with the intent of funding measures meant to address energy equity matters, such as those that will be considered in Docket No. 2022-0250.

Thank you for the opportunity to testify on this bill.



TESTIMONY BEFORE THE HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

HB 191

Relating to Climate Mitigation

Tuesday, January 31, 2023 08:30 am, Agenda Item #8 State Capitol, Conference Room 325 & Videoconference

Marc Asano
Director, Integrated Grid Planning
Hawaiian Electric

Chair Lowen, Vice Chair Cochran, and Members of the Committee:

My name is Marc Asano and I am testifying on behalf of Hawaiian Electric Company and **oppose HB 191**, Relating to Climate Mitigation.

HB 191 requires the Public Utilities Commission (PUC) to establish an estimated social cost of carbon, requires each regulated gas or electric utility to use the estimated social cost of carbon in its integrated resource planning process, and allows the PUC to use the estimated social cost of carbon to assess penalties for delays in integrating renewable energy projects and programs that lower carbon emissions. The bill also requires the State to consider the estimated social cost of carbon in planning new infrastructure and capital improvement projects and when designing and constructing new buildings.

The modifications provided for in Section 3 of the bill are already within the PUC's statutory authority to implement. First, the PUC already considers carbon emissions in its decision making pursuant to Hawaii Revised Statue §269-6(b). Each utility request to expend funds or approve power purchase agreements put before the commission must undergo a greenhouse gas emissions assessment.

Second, performance based regulation (pursuant to Hawaii Revised Statute §269-16.1) that incentivizes Hawaiian Electric to accelerate integration of and procurement of cost-effective renewable energy have been put into effect by the PUC.

Specifically, the PUC has implemented rewards for accelerated RPS achievement and pursuant to Hawaii Revised Statue §269-92 established a \$20/MWh penalty for non-compliance of the RPS mandates. The commission has also established two greenhouse gas metrics (absolute CO2 emissions per year and CO2 emissions intensity) with annual targets. Moreover, the commission has examined two areas of concern related to carbon reduction: (1) fossil fuel generation retirement, and (2) the renewable project interconnection process. The commission now requires biannual updates on progress towards retirement of fossil fuel generation (with potential financial penalties for failure to comply) and performance penalties and rewards for timely interconnection of renewables projects.

Additionally, Hawaiian Electric is currently in the middle of its integrated resource planning process (currently known as Integrated Grid Planning) in Docket No. 2018-0165, which is overseen seen by the PUC. Hawaiian Electric is developing plans that will be consistent with its own Climate Change Action Plan to reduce electricity production carbon emissions by 70 percent by 2030.

Finally, implementing social cost of carbon may also have unintended consequences that disproportionately affect disadvantaged customers. For example, applying a social cost of carbon may mean that more expensive renewable projects are approved because they are lower cost relative to the social cost of carbon. Yet the effect of this policy would mean potentially significant increases to electric bills compared to less expensive alternatives. Moreover, the social cost of carbon may

conflict with Hawaii Revised Statutes 225-P, which sets a target of net-zero carbon emissions through sequestration of carbon. The statue contemplates that not all carbon may be eliminated and therefore, allows for offset or capture of carbon. The social cost of carbon would penalize a (potentially more cost-effective) low emission source with means to offset over a (potentially more expensive) zero carbon resource.

Accordingly, Hawaiian Electric opposes HB 191. Thank you for this opportunity to testify.



Email: communications@ulupono.com

HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION Tuesday, January 31, 2023 — 8:30 a.m.

Ulupono Initiative <u>supports</u> HB 191, Relating to Climate Mitigation.

Dear Chair Lowen and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food, renewable energy and clean transportation choices, and better management of freshwater resources.

Ulupono <u>supports</u> **HB 191**, which requires the Public Utilities Commission to establish an estimated social cost of carbon; each regulated electric and gas utility to use the estimated social cost of carbon in the utility's respective integrated resource planning process or integrated grid planning process; and, the State to consider the estimated social cost of carbon in planning new infrastructure and capital improvement projects and when designing and constructing new buildings.

To avoid the worst impacts of climate change, significant reductions in greenhouse gas emissions are necessary. A recent report from the Intergovernmental Panel on Climate Change (IPCC) finds that carbon dioxide (CO2) emissions would need to fall by about 45 percent from 2010 levels by 2030 to limit warming to 1.5 degrees Celsius. This measure seeks to create an effective tool to reduce greenhouse gas emissions through strategic planning for both utilities and state infrastructure projects.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata Director of Government Affairs

¹Summary for Policymakers of IPCC Special Report on Global Warming of 1.5 degrees Celsius approved by governments, October 8, 2018.



HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

January 31, 2023, 8:30 AM Room 325

TESTIMONY IN SUPPORT OF HB 191

Aloha Chair Lowen, Vice Chair Cochran, and Committee members:

Blue Planet Foundation **supports HB 191**, which requires the Public Utilities Commission to develop an estimated "social cost of carbon" and requires electric and gas utilities to consider that estimated social cost of carbon in their integrated resource planning processes. It also requires the State to consider the social cost of carbon when designing and constructing new buildings.

Climate change will have devastating, long-term consequences on Hawai'i's environment, economy, and quality of life. For these reasons and others, the State of Hawai'i has committed to a decisive transition away from fossil fuels. The legislature has passed aggressive carbon reduction goals, including a mandate to achieve 100% renewable electricity by 2045 (Act 97 of 2015), and a goal to be carbon-negative by 2045 (Act 15 of 2018), with an interim goal to achieve a 50% reduction from 2005 levels by 2030 (Act 238 of 2022).

As we progress towards these ambitious goals, it is critical that our planning efforts include adequate cost-benefit analyses. An estimated social cost of carbon is a recognized policy tool to quantify the extra costs associated with carbon emissions that are not automatically reflected in market prices. This can help the PUC, utilities, and the State better compare the costs and benefits of specific infrastructure projects, regulatory incentive structures, and decisions made in key resource planning processes to ensure alignment with our clean energy and climate goals.

Thank you for the opportunity to provide testimony.



Testimony to The Committee on Energy & Environmental Protection

Tuesday, January 31, 2023, 8:30 AM Conference Room 325, Hawaii State Capitol HB 191

Chair Lowen, Vice Chair Cochran, and members of the committee,

Hawaii Gas provides comments on HB 191, which establishes a social cost of carbon.

Hawaii Gas distributes a blend of gas that ranges from low-carbon to zero-carbon to negative-carbon emissions through approximately 1,100 miles of mostly underground utility pipeline statewide. Our main utility system includes a blend of gas that includes Synthetic Natural Gas (SNG), Renewable Natural Gas (RNG), and Hydrogen. In fact, Hawaii Gas leads the nation in utilizing hydrogen through its pipeline. Despite representing less than 1% of the greenhouse gases emitted into Hawaii's atmosphere, we are working diligently to enable a better future by responsibly reducing our greenhouse gas emissions by pursuing cost-effective, local, renewable energy projects, and supporting the state's carbon neutrality goal by 2045.

House Bill (HB) 191 would require the Public Utilities Commission (PUC) to establish an estimated social cost of carbon that each regulated electric and gas utility would use in the integrated resource planning process. The social cost of carbon is a metric to guide climate regulations and inform policy to reduce greenhouse gas emissions. While the social cost of carbon is commonly understood to mean an estimate, in dollars, of the economic damages that would result from emitting one additional ton of carbon into the atmosphere, the calculations to determine that cost vary widely. For example, the Federal guidelines have recently ranged from \$3/ton to \$51/ton but is under further study and subject to change. Because of the implications to investment decisions, it is critical that it is rooted in the best available science and include explicit incorporation of uncertainty of the changing climate.

Hawaii Gas notes that the State of Hawaii already requires utilities to pursue pathways that reduce carbon dioxide emissions through greenhouse gas emissions laws and regulations and as part of the PUC's statutory regulatory regime and its integrated resource planning process. Further, the PUC already considers carbon emissions in its decision-making pursuant to Hawaii Revised Statue §269-6(b). In making determinations of the reasonableness of the costs pertaining to electric or gas utility system capital improvements and operations, the commission also explicitly considers greenhouse gas emissions as well as price volatility, fuel supply reliability risks and export of funds for fuel imports.



Each utility request to expend funds, approve power purchase agreements or fuel supply agreements put before the commission must undergo a lifecycle greenhouse gas emissions assessment. Measurement of life-cycle greenhouse gas emissions involves calculating the global-warming potential of energy sources through life-cycle assessments.

Hawaii Gas is currently deeply involved with its integrated resource planning process in Docket No. 2022-0009, which is overseen by the PUC. The goal of an IRP is to develop an Action Plan that governs how the utility will meet energy objectives and customer energy needs, consistent with state energy policies and goals, while providing safe and reliable utility service at reasonable cost, through the development of Resource Plans and Scenarios of possible futures that provide a broader long-term perspective. Hawaii Gas is already incorporating greenhouse gas lifecycle impacts in the development of its Integrated Resource Plan.

Hawaii Gas has concerns that adding a social cost of carbon to the cost of existing fossil fuels in important decision-making processes and analyses could have the unintended consequence of disregarding affordability, resiliency and energy independence.

Hawaii Gas has strong concerns about unnecessarily increasing costs to consumers and believes that actual costs paid by the consumer matter, as the state already has the most expensive energy in the country.

Setting a Hawaii specific cost is a complex exercise which would require extensive research and expertise and the convening of myriad stakeholders. Additionally, the work must take into consideration existing statutes and administrative rules, as well as dockets that are currently in process. Setting a specific social cost of carbon is a determination that to-date has not been robustly evaluated and vetted to produce data that would be meaningful in establishing critically important energy policies. In fact, it seems unnecessary and redundant given the PUC's authorities.

We urge the committee to defer HB 191.

Thank you for the opportunity to provide comments.

HB-191

Submitted on: 1/30/2023 7:25:45 AM

Testimony for EEP on 1/31/2023 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
laurel brier	Kauai Climate Action Coalition	Support	Written Testimony Only

Comments:

This Act will help guide and assure that State infrastructure plans, capital improvement projects, including the design and construction of new buildings, are in alignment with our transition to a low carbon economy as well as the State's climate policy. A Climate Emergency has been declared and all planning should be in alignment with that



Hawaii Solar Energy Association Serving Hawaii Since 1977

Testimony of The Hawaii Solar Energy Association (HSEA) Regarding HB191, Relating to Climate Mitigation, Before the House Committee on Energy and Environmental Protection

January 31, 2023

Aloha Chair Lowen, Vice-Chair Cochran and committee members, the Hawaii Solar Energy Association (HSEA) **supports HB191**, which requires the PUC to develop and estimated social cost of carbon (SCC), regulated utilities to use the SCC in planning, and the State to consider the SCC when investing in new infrastructure, capital improvements, and buildings.

HSEA members include the majority of locally owned and operated renewable energy companies doing business in the state as well as leading global cleantech manufacturers and service providers that invest and sell in our market. We employ thousands of residents in diverse jobs including contractors, installers, electricians, engineers, design professionals, product managers, marketing and salespeople, financial services professionals, and service technicians. We advocate for policies that help Hawaii achieve critical climate and resilience goals by enabling residents and businesses to invest in and benefit from the transition to clean energy.

The societal costs of carbon pollution tend to be undercounted, hidden, or overly discounted in many of Hawaii's infrastructure and investment planning efforts. By developing an estimated social cost of carbon and explicitly utilizing it for decision making, Hawaii policymakers and stakeholders will be able to make more informed decisions that contribute to Hawaii's sustainability and resilience.

Thank you for the opportunity to testify in **support of HB191**.

Sincerely,

/s/ Rocky Mould

Rocky Mould
Executive Director

Energy & Climate Action Committee

Tuesday, January 31, 2023, 8:30 am

House Committee on Energy and Environmental Protection HOUSE BILL 191 – RELATING TO CLIMATE MITIGATION

Position: Strong Support

Me ke Aloha, Chair Lowen and Vice-Chair Cochrane:

HB191 requires the PUC to establish estimations of greenhouse gas emission costs ("implicit carbon price") over a project life-span to evaluate the relative social costs of carbon use. Hawai'i is trying to establish a lower-carbon use economy, halving our carbon emissions by 2030 and sequestering more carbon than we emit by 2045. As the economy reduces its carbon dependency, social strength and vitality improves. The bill thus establishes a means of determining social cost of various projects, from energy facilities to constructing or retrofitting buildings and other infrastructure for greater energy efficiencies. This provides a connective strategy to evaluate projects across the board during the planning stage, promoting the ability to view them in terms of social cost.

The Environmental Caucus of the Democratic Caucus strongly supports developing a mechanism for evaluating project social costs associated with carbon use, to lower our emissions and to achieve our carbon goals.

Mahalo for the opportunity to address this matter.

/s/ Charley Ice & Ted Bohlen, Co-Chairs, Energy and Climate Action Committee Environmental Caucus of the Democratic Party

<u>HB-191</u>

Submitted on: 1/27/2023 9:40:19 PM

Testimony for EEP on 1/31/2023 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Gerard Silva	Individual	Oppose	Written Testimony Only

Comments:

Stop Wasting our time and Tax payer Money to do Stupied things this Carbon thing is all Bull Shit!!!!!

<u>HB-191</u> Submitted on: 1/29/2023 1:12:05 PM

Testimony for EEP on 1/31/2023 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Douglas Perrine	Individual	Support	Written Testimony Only

Comments:

I support HB191

HB-191

Submitted on: 1/29/2023 7:00:19 PM

Testimony for EEP on 1/31/2023 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Lisa Diaz	Individual	Support	Written Testimony Only

Comments:

Aloha EEP Chair Lowen, & EEP Committee members:

I strongly support HB191: RELATING TO CLIMATE MITIGATION.

We need to require the PUC to establish an estimated social cost of carbon (EUSC CO2) and also require each regulated electric and gas utility to use the EUSC CO2 in the utility's respective integrated resource planning process; and the State to consider the EUSC CO2 in planning new infrastructure and capital improvement projects and when designing and constructing new buildings. We must be prudent with maximizing our planning efforts to ensure new infrastructure is highly energy efficient.

Mahalo, Chair Lowen for introducing HB191 and leading the EEP committee to responsibly move our state in the right direction to become 100% renewable in order to protect Hawaii and our planet.

Mahalo with Aloha,

Lisa Diaz, 76-223 Haoa St.; Kailua-Kona, HI 96740

LATE *Testimony submitted late may not be considered by the Committee for decision making purposes.

<u>HB-191</u>

Submitted on: 1/30/2023 2:46:38 PM

Testimony for EEP on 1/31/2023 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Keith Neal	Individual	Support	Written Testimony Only

Comments:

Support

HB-191

Submitted on: 1/30/2023 7:22:21 PM

Testimony for EEP on 1/31/2023 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Will Caron	Individual	Support	Written Testimony Only

Comments:

Adopting an implicit carbon price—sometimes called "the social cost of carbon"—to guide decisions made about infrastructure projects will help ensure that they align with the transition to a low-carbon economy and with the state's climate policy. Hawai'i has statutory goals to reduce emissions by 50% from 2005 levels by 2030, and to have a carbon-negative economy by 2045. Incorporating consideration of emissions in decision-making today will facilitate achieving these goals and lead to more cost-effective outcomes for the state over the long term. Please pass HB191.