

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

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA 'OIHANA KUMUWAIWAI 'ĀINA

P.O. BOX 621
HONOLULU, HAWAII 96809

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LAND
STATE PARKS

Testimony of
RYAN K.P. KANAKA'OLE
Acting Chairperson

Before the House Committee on
ENERGY AND ENVIRONMENTAL PROTECTION

Tuesday, March 17, 2026
9:15 AM

State Capitol, Conference Room 325

In consideration of
SENATE BILL 2005, SENATE DRAFT 1
RELATING TO CONSERVATION BANKING

Senate Bill 2005, Senate Draft 1, authorizes the Department of Land and Natural Resources and certain public or private entities to operate conservation banks, subject to approval from the Board of Land and Natural Resources, for situations where a person or entity is required to provide compensatory mitigation to offset adverse impacts to threatened, endangered, candidate, or proposed species as part of an approved incidental take license and habitat conservation plan; adds the associate director of the United States Geological Survey, Ecosystem Mission Area, to the membership of the Endangered Species Recovery Committee; and requires the Endangered Species Recovery Committee to review applications and proposals for conservation banks and conduct subsequent reviews and oversight. This bill is effective 7/1/2050. **The Department of Land and Natural Resources (Department) supports this bill.**

Conservation banks are large-scale projects designed to increase populations of threatened or endangered species or to enhance their habitats. They serve as useful tools for incidental take permit holders with habitat conservation plans that require mitigation to offset the impact on threatened and endangered species. Credits from conservation banks cannot be sold until the species' population in the bank increases or its habitat is improved, in accordance with a credit schedule. With conservation banks, mitigation is completed before any take of a threatened or endangered species occurs.

The Department would benefit from operating conservation banks, as funds collected by Department-operated banks would be used for conservation efforts for threatened and endangered species, aiding their recovery.

Mahalo for the opportunity to comment on this measure.



Testimony Before the House Committee on Energy & Environmental Protection

By Beth Amaro
Member Services and Communications Manager
Kaua'i Island Utility Cooperative
4463 Pahe'e Street, Suite 1, Lihu'e, Hawai'i, 96766-2000

Tuesday, March 17, 2026; 9:15 am
Conference Room #325 & Videoconference

Senate Bill No. 2005, Senate Draft No. 1 – RELATING TO CONSERVATION BANKING

To the Honorable Chair Nicole E. Lowen, Vice Chair Amy A. Perruso and Members of the Committee:

Kaua'i Island Utility Cooperative (KIUC) is a not-for-profit utility providing electrical service to more than 34,000 commercial and residential members.

KIUC has concerns regarding a lack of clarity in this measure.

For more than two decades, KIUC has been working in collaboration with the U.S. Fish and Wildlife Service (USFWS) and the State of Hawai'i Department of Land and Natural Resources (DLNR), Division of Forestry and Wildlife (DOFAW) on a Habitat Conservation Plan (HCP) to minimize and mitigate adverse effects on state and federally listed threatened and endangered species. Over the years, KIUC has implemented numerous measures reducing these potential impacts and improving seabird survival and recovery.

In 2011, KIUC was granted a federal permit for its short-term HCP that accounted for impacts to seabirds and formalized measures to reduce those impacts from utility structures, while also protecting seabirds and seabird habitat. A first draft HCP was published for public comment in 2023. Comments were addressed and a second draft HCP was published in August 2025. Comments received during this second publication are currently being reviewed and will be addressed as appropriate.

KIUC has been proactively implementing seabird minimization and mitigation since 2016 and, since 2020, has spent more than \$66 million on HCP-related efforts. These efforts are producing positive results: minimization measures KIUC has taken over the past five years have reduced its "take" of these species by approximately 67%, and mitigation efforts have resulted in high reproductive success rates and increasing seabird populations in managed colonies.

While KIUC can see the value that conservation banking may bring to the state, KIUC believes the use of conservation banking is not always appropriate and in the best interest of the protecting listed species. To the extent that conservation banks would be an option for compensatory mitigation credits rather than a requirement, KIUC’s concerns are somewhat minimized.

If this bill moves forward, KIUC suggests the following three (3) amendments to clarify that conservation banking is not required for state license holders or as part of a habitat conservation plan, but is an option in situations where it may be appropriate:

Proposed amendment to SECTION 1:

SECTION 1. The legislature finds that the use of conservation banks as compensatory mitigation projects for incidental take licenses with habitat conservation plans can help increase [increases] certainty that the mitigation obligation is complete, expedites project review, and makes project costs more predictable for incidental take licensees. Conservation banks provide long-term, landscape-scale protection to Hawai‘i’s threatened, endangered, candidate, and proposed species.

Proposed amendment to SECTION 1 (1):

- (1) Authorize the department of land and natural resources and certain public or private entities to operate conservation banks, subject to approval from the board of land and natural resources, as an option for situations where a person is required to provide compensatory mitigation to offset adverse impacts to threatened, endangered, candidate, or proposed species as part of an approved incidental take license and habitat conservation plan;

Proposed amendment to §195D-B (a) Conservation banking:

- (a) The department or bank sponsor may seek approval of the board of a conservation bank instrument to operate a conservation bank for the purposes of restoring, creating, enhancing or protecting populations of threatened, endangered, candidate, or proposed species and their habitats as an option for situations in which a person or entity is required to provide compensatory mitigation to offset adverse impacts to threatened, endangered, candidate or proposed species as part of an approved incidental take license and habitat conservation plan.

Thank you for the opportunity to provide comments on this measure. Mahalo for your consideration.



REPRESENTATIVE NICOLE E. LOWEN, CHAIR
REPRESENTATIVE AMY A. PERRUSO, VICE-CHAIR
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

TESTIMONY **IN SUPPORT OF** SENATE BILL NO. 2005 SD1
RELATING TO CONSERVATION MITIGATION BANKS

March 17, 2026, 9:15 a.m.
Conference Room 325 & Videoconference
State Capitol
415 South Beretania Street, Honolulu, Hawai'i

Good morning, Chair Lowen, Vice-Chair Perruso, and members of the committee:

Earthjustice **supports** Senate Bill 2005 SD1, which would authorize the establishment and operation of conservation banks to help offset adverse impacts to threatened, endangered, candidate, or proposed species as part of an approved incidental take license and habitat conservation plan.

Whenever the Legislature adopts policies related to endangered and threatened species, it is vital to ensure that adequate safeguards are in place to protect Hawai'i's unique and irreplaceable native species. SB 2005 SD1 has worked through the complex policy issues involved in establishing an entirely new conservation mitigation program and **would ensure adequate protection for imperiled species.**

Mahalo for the opportunity to offer this testimony. Please do not hesitate to contact us with any questions or for further information.

David L. Henkin, Esq.
Deputy Managing Attorney
Earthjustice, Mid-Pacific Office

SB-2005-SD-1

Submitted on: 3/15/2026 2:37:36 PM

Testimony for EEP on 3/17/2026 9:15:00 AM

Submitted By	Organization	Testifier Position	Testify
Sandie Wong	Tawhiri Power LLC	Support	Written Testimony Only

Comments:

Tawhiri Power LLC supports SB2005, SD1.

SB-2005-SD-1

Submitted on: 3/15/2026 8:19:17 PM

Testimony for EEP on 3/17/2026 9:15:00 AM

Submitted By	Organization	Testifier Position	Testify
Ted Bohlen	Hawai'i Reef and Ocean Coalition	Support	Written Testimony Only

Comments:

SUPPORT SD1 !

**Testimony of The Nature Conservancy
Supporting SB2005 SD1, Relating to Conservation Banking
Committee on Energy & Environmental Protection
March 17, 2026 at 9:15 am
Conference Room 325 and via Videoconference**

Dear Chair Lowen, Vice Chair Perruso, and Members of the Committee:

Mahalo for the opportunity to testify today. The Nature Conservancy (TNC) Hawai'i and Palmyra supports SB2005 SD1, which authorizes the Department of Land and Natural Resources (DLNR) and certain public or private entities to operate conservation banks, subject to approval from the Board of Land and Natural Resources, for situations where a person or entity is required to provide compensatory mitigation to offset adverse impacts to threatened, endangered, candidate, or proposed species as part of an approved incidental take license and habitat conservation plan. Additionally, it adds the associate director of the United States Geological Survey, Ecosystem Mission Area, to the membership of the Endangered Species Recovery Committee and requires the Endangered Species Recovery Committee to review applications and proposals for conservation banks and conduct subsequent reviews and oversight.

Conservation banking is a well-established tool that provides long-term, landscape-level benefits for threatened and endangered species. By creating a clear framework for conservation banks in Hawai'i, this bill improves the predictability and effectiveness of mitigation, supports science-based species recovery, and ensures conservation actions are carried out with durable funding and long-term stewardship.

This bill strengthens the State's existing habitat conservation planning process and expands the suite of tools available to protect sensitive species and ecosystems. Importantly, the updated framework establishes clear requirements for conservation bank instruments, monitoring, adaptive management, site protection, and financial assurances. It also clarifies the role of the Endangered Species Recovery Committee in reviewing and overseeing conservation banks, helping ensure mitigation decisions are grounded in the best available science.

Mahalo for the opportunity to testify in support of SB2005 SD1.

Guided by science, TNC 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 84,000 acres in 13 nature preserves and 18 managed areas and have supported over 50 coastal communities to help protect and restore the nearshore reefs and fisheries of the main Hawaiian Islands.

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HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

March 17, 2026

9:15 AM

Conference Room 325

In **SUPPORT** of **SB2005 SD1**: RELATING TO CONSERVATION MITIGATION BANKS

Aloha Chair Lowen, Vice Chair Perruso, and Members of the Committee,

On behalf of our 20,000 members and supporters, the Sierra Club of Hawai'i **SUPPORTS** SB2005 SD1, which would allow for the more efficient investment of resources intended to mitigate the harms of certain activities on our threatened and endangered species and their habitat. The Sierra Club deeply appreciates this Committee's support in amending a substantially similar bill, HB1802 HD1, to provide critical guardrails for any future conservation bank, and for now hearing this vehicle as well.

The general concept of conservation banks certainly holds much merit. However, the wide range of variables and unforeseen outcomes so often seen in habitat restoration and management activities require considerable thought, expertise, and safeguards to ensure that a conservation bank program does not inadvertently (or intentionally) facilitate potentially devastating harm to the last remaining individuals of our endangered and threatened native species.

Accordingly, the Sierra Club is very appreciative of the amendments made in the SD1 draft of this measure, to include detailed provisions that minimize the threat of facilitating harmful activities without adequate mitigation. These include requiring adaptive management strategies and financial assurances to address potential unintended outcomes, ensuring bank sponsors have requisite scientific and technical expertise, prohibiting "credit stacking," and articulating a clear and enforceable process for review by the endangered species recovery committee, among others. **With these amendments, SB2005 SD1 would give the state's long-awaited conservation bank program the best chances of success – and help to ensure that our unique endangered and threatened native species are not driven to extinction on our generations' watch.**

Mahalo nui for the opportunity to testify.

SB-2005-SD-1

Submitted on: 3/13/2026 5:46:47 PM

Testimony for EEP on 3/17/2026 9:15:00 AM

Submitted By	Organization	Testifier Position	Testify
Pualani Ovono	Individual	Comments	Written Testimony Only

Comments:

Aloha e committee members, Hawai‘i is home to some of the most unique ecosystems and species in the world, yet many of these species remain threatened or endangered due to habitat loss, invasive species, and development pressures. Growing up here I’ve been an eyewitness to these environmental changes. SB2005 offers an important tool to help address these challenges, both through its conservation benefits and through increasing efficiency of project planning and permitting. These practices also help ensure long-term habitat protection by requiring ongoing management and monitoring of present and future projects. This balance is vital in Hawai‘i, where both environmental stewardship and sustainable economic activity are deeply important. Mahalo for the opportunity to testify.

SB-2005-SD-1

Submitted on: 3/15/2026 11:56:05 AM

Testimony for EEP on 3/17/2026 9:15:00 AM

Submitted By	Organization	Testifier Position	Testify
Jeffrey Miguel Acido	Individual	Support	Written Testimony Only

Comments:

Aloha,

I am writing in full support of HB 2005. This bill will animate the talents and gifts of our bilingual community in Hawaii. I am currently an instructor at Leeward CC and I have seen the many gifts and talents of our students. We have so many languages that can help our communities navigate education and health fields.

I hope we are able to make this happen,

Dr. Jeffrey Miguel Acido