Merz, Jeff

From: noreply@hirep-wind.com
Sent: Tuesday, March 01, 2011 1:06 PM
To: Johnston, Douglas; Merz, Jeff
Subject: [HIREP Wind EIS] New Comment

A New Comment has been Submitted

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March 1, 2011

Allen G. Kam, HIREP EIS Manager
State of Hawai'i
Department of Business, Economic Development and Tourism
Renewable Energy Branch
State Energy Office
P.O. Box 2359
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Dear Mr. Kam:

I have reviewed the scoping notice for the "Hawai'i Interisland Renewable Energy Program: Wind Programmatic Environmental Impact Statement" (Federal Register, Vol. 76, No. 8, Wednesday, January 12, 2011). The notice states, "(t)he EIS will assess the foreseeable environmental impacts that may arise from wind energy development under the Hawai'i Interisland Renewable Energy Program (HIREP) and the range of reasonable alternatives." Limiting or restricting the scope of this Programmatic EIS to focus on wind energy defeats the State's overall intent to set a course for energy independence. I realize the State has studied wind energy which assumes about 400 MW potential and they are preparing this Wind Programmatic EIS to help facilitate expediting NEPA compliance on future wind projects. This Programmatic EIS offers an excellent opportunity for the State of Hawai'i and the Department of Energy (DOE) to broaden the scope to establish and implement an efficient and effective comprehensive energy policy and set a course for possible actions to help Hawai'i achieve its energy independence goal.

I recommend Hawai'i and DOE make a prudent and practical step to change their traditional conservative NEPA practices and move to a more proactive approach by elevating the proposed Wind Programmatic EIS to the "Hawai'i Energy Independence Plan Programmatic EIS". This will establish the proper and publically desired energy policy environment for the State of Hawai'i to develop a Plan to accomplish energy independence. A well-organized and advantageous execution of this policy-level EIS can be accomplished through using it to create an expedited process of Tiered Records of Decision (RODs) for implementing a broader set of subsequent energy related programs and projects.

The recommended methodology of using a policy-level EIS with subsequent Tiered RODs has a successful proven NEPA compliance record in DOE. This methodology replaces the traditional tiering use of supplemental EISs, Environmental Assessments/Findings of No Significant Impacts (EA/FONSI), and Categorical Exclusions

(CEs) and diminishes the unnecessary
challenges and legal risks over the potential for significant impacts from cumulative, connected, or similar actions (e.g., the collective impacts from implementing energy programs and projects). It also creates a transparent public process for continued monitoring of State-wide energy policy and ensuing program and project implementation.

The following are suggested policy-level EIS components for getting started in creating the framework for the recommended "Hawai'i Energy Independence Plan Programmatic EIS".

Need Statement

"The State of Hawai'i needs a comprehensive and consistent policy to guide its unified planning and implementation of programs, projects, and other related actions for achieving sustainable energy independence by 2030."

The State of Hawai'i has prepared this Hawai'i Energy Independence Plan Programmatic EIS to examine the possible environmental consequences of its decision to commit precious State resources and implement a Policy Direction for achieving state-wide energy independence. A Policy Direction represents an overarching theme that guides and shapes the decisions made by the legislature, Governor, agencies, or other public bodies regarding energy independence efforts, applied through a series of actions that form a unified implementation plan (i.e., Hawai'i Energy Independence Plan). A broad range of Policy Directions are reflected within the alternatives considered in this EIS.

This range of Policy Directions serves as a foundation from which to build an understanding of the overall environmental consequences for making a decision on a Policy Direction, or combination of Policy Directions, to follow now and in the future. Hawai'i will select a Policy Direction that reflects the different policies and actions currently being developed within the State. Any chosen Policy Direction will be shaped by existing laws, national and state processes, and other mandates that Hawai'i must adhere to and comply. These laws and mandates may change at any time in the future, as public opinion and priorities change. These changes could lead to corresponding modifications to any Policy Direction Hawai'i may have chosen. This is why the State of Hawai'i must be prepared to lead rather than just follow.

There are several key ongoing legislative and government energy related processes incorporated into this EIS. These combined processes will shape and establish a state-wide Policy Direction that Hawai'i will use to guide its current and future energy resources and funding efforts. Hawai'i is preparing this EIS now because (1) petroleum based energy is growing costlier every year and the State's economy is already considered to be at risk so further delay of alternatives energy sources must be minimized, (2) Hawai'i wants to be fully informed and ready to respond promptly when a state-wide energy Policy Direction(s) is being selected or needs to be changed, and (3) if the national energy scene has delays or disruptions in alternative energy resource planning, Hawai'i needs to be able to move forward with a Policy Direction that best reflects the state's view.

Background: The State of Hawai'i currently relies on imported petroleum for 90 percent of its energy and is the most-oil dependent state in the nation. We spend as much as $7 billion annually outside Hawai'i to meet energy demands. More than 60 percent of Hawai'i's current energy use is for transportation, and more than half of that is for aviation. Electricity is generated with imported fossil fuels (76% from petroleum; 13% from coal). To buy this imported fuel Hawai'i spends about 10 percent of its gross state product which is three times more than the national average. In order for Hawai'i to better control future costs and retain more of the energy money in the local economy we must develop efficient and effective energy policy. Hawai'i has proposed a goal of meeting 70 percent of its energy requirements with clean statewide energy resources.

Our dependence on oil threatens our most precious resources—the land, air, and water that sustain us. And it places our economic security at risk. Policy development is key to achieving Hawai'i energy independence. By working to develop a policy environment that supports energy-efficiency efforts, renewable energy development, and transportation clean energy objectives Hawai'i has already begun researching, putting forth proposals, and taking legislative actions to move forward. For example, the following is a list of some of these actions.

General Energy Demands

• Hawai'i Clean Energy Initiative – A review of energy related incentive, program, and other planning designs to encourage more efficient fuel use and promote alternative fuel production and use for crafting proposed bills for the upcoming legislative session and general public distribution.
• Hawai'i Clean Energy Initiative Working Group Policy Recommendations for the 2010 Hawai'i State Legislative Session – A collaborative statewide work groups' compilation of energy policy recommendations targeting four primary areas of focus: end-use efficiency, transportation, fuels, and electricity for considered in the 2010 Hawai'i legislative session.

Electricity Demand

• ACT 155 (09), HB 1464, signed June 25, 2009—The 2009 Clean Energy Omnibus Bill- This Bill puts Hawai'i electrical generation sector directly in line with the Hawai'i Clean Energy Initiative goal of 70% clean energy by 2030 through including: 1) 30% reduction in energy use via efficiency by 2030; 2) the Hawai'i Public Utilities Commission establishing incentives and penalties to foster compliance; and 3) increasing the renewable portfolio standard to 40% by 2030.
• ACT 154 (09), SB 464, signed June 25, 2009—The Renewable Energy Technologies Income Tax Credit - Amends 1990 law which provides personal and corporate tax credits of up to 35% of the cost of installing solar electric and solar thermal equipment and up to 20% of the cost of installing wind turbines. As amended, the law enables individuals and corporations to receive a tax refund when their earned tax credits under this program exceed their state income tax for the year.
• ACT 050 (09), HB 1270, signed May 6, 2009—The Public Utilities Commission Renewable Energy Act - Allows utilities to invest in renewable energy technologies even if a project costs more than the avoided fossil fuel costs.
• HRS § 196-6.5, HB 1464, signed June 25, 2009—The Solar Water Heater System Requirement - Amends the 2008 Solar Roofs Act to require single-family homes built in Hawai'i to include solar water heating as of 2010 to help substantially reduce electrical use for domestic water heating.
• HRS § 269-101 et seq., signed June 25, 2001; amended in 2004 and 2005—Hawai'i's Net Metering - Requires electric utilities to accept power generated by small residential and commercial renewable energy installations and reduce customers' bills accordingly at the retail rate. The combination of the solar and wind energy credit and the net metering program plays a significant role in encouraging development of nonutility renewable electricity generation in Hawai'i.
• Decoupling Policies: Options to Encourage Energy Efficiency Policies for Utilities, Clean Energy Policies in States and Communities - Published by the National Renewable Energy Laboratory in January 2010, this brochure explains how a well-designed decoupling strategy can help keep utility profits steady and customers' energy costs in check by removing disincentives for utilities to promote energy efficiency programs.

Transportation

• ACT 156 (09), SB 1202, signed June 25, 2009—The Transportation Energy Initiatives Act – To promote Hawai'i residents investment in electric and plug-in hybrid electric vehicles (PHEVs) by fostering development of electric-vehicle infrastructure such as requiring parking lots to include spaces dedicated to electrically charged vehicles and establishing a grant program for building electric-vehicle infrastructure.

• Ethanol-blended fuel requirement—Hawai’i requires at least 85% of unleaded gasoline to contain 10% ethanol.
• Reduced state excise tax for alternative fuels—Hawai’i charges a lower state excise tax on ethanol, biodiesel, and other alternative automotive transportation fuel sales than it does on diesel and gasoline sales.
• Ethanol production incentive—Hawai’i law provides for a tax credit for ethanol production facilities through 2017.

Key Energy Studies

• Hawai’i Energy Strategy 2000 - Completed in January 2000 by the Energy, Resources, and Technology Division of DBEDT, Hawai’i Energy Strategy 2000 is the foundational document for Hawai’i energy policy.
• Policy Recommendations for Hawai’i's Energy Future - Prepared for DBEDT by the Rocky Mountain Institute, this March 2008 report reviews previous policy recommendations under the Hawai’i Energy Strategy Program, describes Hawai’i energy resources and use, and makes specific policy recommendations—8 for the electric utility sector, 12 for the transportation sector, 5 for the buildings sector, and 9 that are cross-sectoral.
• Potential for Ethanol Production in Hawai’i - This December 2006 report was prepared for DEBDT by the Hawai’i Natural Energy Institute of the University of Hawai’i. It estimates potential ethanol production for Hawai’i based on available acreage suitable for four crops: sugar cane, banagrass, fast-growing trees, and a combination of sugar cane and fast-growing trees. If the latter were grown on all suitable agriculturally zoned land, the report projects that more than 700 million gallons of ethanol could be produced per year.
• Analysis of the Impact of Petroleum Prices on the State of Hawai’i's Economy - This U.S. Congress-directed August 2007 report was prepared for DEBDT by the Hawai’i Natural Energy Institute of the University of Hawai’i. The study analyzes the impact that sudden or gradual increases in the price of oil would have on Hawai’i's economy with its great dependence on oil for energy.
• Bioenergy Master Plan Progress Report to Legislature - This is a DBEDT status report on a major effort to plan for bioenergy production in Hawai’i that is slated for completion during 2009.
• Report to the 2009 Hawai’i State Legislature—Lead by Example—State of Hawai’i Agencies' Energy Initiatives—FY 2007–2008 - This is the most recent of a series of DBEDT reports on use of energy efficiency and renewable energy by agencies of the Hawai’i state government.

Purposes

Due to the constant shifting in energy policy over the past several decades nationwide consensus has been extremely difficult, this is why the State of Hawai’i has specific purposes that are essential to use as "yardsticks" to compare how well alternative Policy Directions meet the State’s need. These purposes are:

1. create more independence and less reliance on other economies;
2. achieve greater energy security;
3. become more economically stable by keeping an estimated $6 billion in state that would otherwise go toward foreign oil investments;
4. establish a new, green economic sector that will counter-balance reliance on tourism and the military;
5. position Hawai’i as a worldwide leader in the clean energy category and attract more business and expertise to the region;
6. preserve the pristine beauty of Hawai’i islands for future generations to enjoy; and
7. achieve Hawai’i Clean Energy Initiative’s goal of achieving 70 percent clean energy, 30 percent from efficiency measures and 40 percent from renewable energy sources, by 2030.

For several decades, a variety of federal, state, local, and private entities have been managing energy resources. Each entity has its own legal constraints, policy directives, and constituent interests. During this time there has been no formally recognized "umbrella" organization or overall Policy Direction that coordinated or reconciled the entities' respective actions. Laws and mandates have been scattered and inconsistent in their intent and

objectives. For example, in 1977 DOE was formed to pursue alternative sources of energy and energy independence in light of oil shortages. In the 1980s the strategy changed toward a free market, private sector supplier which downplayed DOE's involvement in alternative energy resources which resulted in promoting petroleum and nuclear resources. By the 1990s the nation was no better of than it had been in the 1970s regarding dependency on foreign oil. DOE's role in national energy was altered again to reflect the need for energy efficiency and renewable energy resources. Beginning in the 2000s brought yet another shift in energy policy and the focus of DOE. Energy policy was redirected away from renewable energy and energy conservation this time toward federal lands for energy development, extensive coal production, and broader drilling for oil and gas. Now in the beginning of the 2010s, some changes are needed so a coherent, broad-based energy policy beyond previous plans can deal with issues of energy independence or self-sufficiency, national security, and environmental protection.

Unfortunately, after more than four decades of good intentions and several national energy plans and policies, there is less progress both nationally and in Hawai'i than is necessary to reached energy self-sufficiency. Some important reasons have driven this problem such as:

- different groups having different values and priorities which have led to diverse and often conflicting ideas about what actions will achieve energy independence;
- no clear and agreed-upon scientific answer to the problem because many technological factors affect energy demand and supply;
- conflicting directives and jurisdictions of national, state, and local authorities have led to delayed, inconsistent, piecemeal, and contradictory actions resulting in the funds dedicated to energy efforts often being used less efficiently and effectively than they otherwise could have been; and
- lack of a unified planning approach, although, recent Hawaiian entities have taken more steps to work together to develop a planning approach for energy development and implementation that is based upon the premise that the human environment includes consideration of all social, economic, and natural resource concerns.

Hawai'i has an obligation to fulfill its NEPA requirements for understanding the environmental consequences of its actions (funding and implementing any Policy Direction) before decisions are made and actions are taken. NEPA compliance will also allow Hawai'i to:

- avoid delays in taking effective energy program, project, and other related actions, and
- provide an opportunity for public involvement for interested parties.

In applying NEPA, all of these purposes must be considered by Hawai'i before deciding to take action under this EIS. These purposes also represent the crucial decision factors the State must balance in order to achieve success in meeting the stated Need. Other entities throughout the State may use this document, with any of their own additional identified purposes in mind.

Status Quo and Alternative Policy Directions

The Status Quo embodies the energy related actions currently being undertaken throughout Hawai'i and establishes the policy direction that serves as the baseline for comparison of effects in this EIS. The Status Quo or baseline of effects functions as the neutral point for environmental analysis of Policy Direction alternatives. The Policy Direction alternatives represent overarching themes that could guide and shape potential decisions made by the legislature, Governor, agencies, or other public bodies regarding energy independence efforts. None of the individual base Policy Directions are intended to represent any particular group's, organization's, or individual's position, but instead, offers a way to demonstrate the contrasts between basic philosophical differences. In other words, the base Policy Directions alternatives act as points along a continuum of possible Policy Direction alternatives. This gives the decision makers a finite number of alternatives to review with a vast realm or scope of alternatives to create. The alternative policy direction finally selected and constructed by Hawai'i decision makers as the Preferred Policy Direction will likely be a mix of several of base Policy Directions alternatives.

Status Quo (No Action/Baseline)

The State of Hawai'i would not take any significant actions beyond those currently being pursued. The concentration of actions would be on the short-term, next 1-5 years, with a long-term vision and no comprehensive energy plan. It would allow each individual island to determine their energy supply for meeting demand on as needed basis. Hawai'i as a whole would continue to respond only to legislative changes. Hawai'i would continue to propose incremental changes in energy development and infrastructure such as the focus on near-term wind energy over other renewable resources, interisland transmission cables, traditional energy efficiency measures, and conventional transportation energy options to try and meet the Hawai'i Clean Energy Initiative for 70% clean energy by 2030.

Energy Security Focused Policy Direction

Hawai'i focuses on fast tracking the Hawai'i Clean Energy Initiative (greater than 70% cleaner energy by 2020) through using smaller scale distributed energy technologies for local demands through commercially available energy resources such as photovoltaics, solar hot water heaters, wind, geothermal, and biomass resources; establishing a sustainable mixed alternative-fuel strategy; promoting immediate (3 year) conversion to hybrid, electric vehicles, or other equivalent clean technologies; and modernizing for a localized or distributed power Smart grid system (e.g., island or community specific grid).

Energy Technology Focused Policy Direction

Hawai'i focuses on cutting edge technologies to meet the Hawai'i Clean Energy Initiative and serve as the model for energy advancement. Public and private sector partner¬ships pursue energy resources such as solar, wind, ocean thermal energy conversion, wave, geothermal, biomass, compressed air, pump storage, and other resources; utilize newly developed engine technologies to increase fuel economy and efficiency for personal vehicles by 25%–40% and commercial vehicles and aircraft by 20% by 2015; used advanced alternative-fuel vehicles such as fuel cell, hydrogen, and electric; and modernize power-grid system using Smart Grid/Cyber Security technologies and critical infrastructure protection through renewable energies and prototype energy efficiency technologies.

Least-Cost Energy Focused Policy Direction

Hawai'i focuses on bottom line costs for engineering energy systems for electricity and transportation. The least costly energy development and infrastructure whether conventional or innovative resources and infrastructure measures are used to meet demand. The Hawai'i Clean Energy Initiative is only followed where clean fuel alternatives are cost-effective compared to conventional technologies.

Human Environment Focused Policy Direction

Hawai'i focuses on energy development and infrastructure for sustaining a pristine environment for air, land, water, and aesthetic qualities. All energy resources and supporting infrastructure to meet the Hawai'i Clean Energy Initiative protect or enhance the existing environment and subsequently improve conditions for people, flora, fish, and wildlife.

Discussion

Below in Figure 1 is only an illustration of what the final table for decisionmaker would resemble. The objective of Figure 1 would be to bring the decisionmaker and public to an informed point about what happens to the environmental effects when each Policy Direction theme is implemented compared to the Status Quo. The last step in the process, which could be between draft and final EIS, would involve mixing the various

components of the different Policy Direction alternatives to achieve the outcome desired. This means, if the decisionmaker wants parts of the Energy Security and Human Environment Policy directions they would have to go to Figure 2 below and extract the description of key issues relevant to the chosen pieces and develop another alternative Policy Direction (i.e., Preferred Policy Direction). The effects associated with the selected key issues from the two different Policy Directions must follow to the new Preferred Policy Direction which gives the decisionmaker and public a comparison to the Status Quo. This is how this process allows for many self determined Policy Direction alternatives with only analyzing 4-5 policy alternatives in the EIS minimizing or eliminating the need to supplement the EIS.

Figure 1: Environmental Impact By Policy Direction Alternatives

(WAS ATTACHED TO EMAIL WHICH KEPT GETTING NOT DELIVERABLE NOTICE)

The key issues would be drawn from public forums with the public and other interested parties. They encompass the issues that each group or individual participating in the public process determined are essential in developing alternatives and assessing impacts for them to buy into any energy independence policy pursued by the State of Hawai'i. It offers the chance for participants and reviewers to understand how each Policy Direction alternative addresses their important energy issues. Figure 2 is only an illustration of how such a table may be constructed.

Figure 2: Key Issues By Policy Direction Alternatives

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Conclusion

I have recommended that the State of Hawai'i and DOE consider modifying their current proposed NEPA compliance strategy to a new and different proven methodology for improving the decisonmaking process in reaching energy independence. Ample data already exists for Hawai'i and DOE to prepare this policy-level programmatic EIS. Examples have been provided to begin structuring the recommended policy-level EIS process (i.e., need statement, purpose/decision factors, key issues, and possible policy alternatives). The Policy Direction alternatives proposed are just examples of what might be drawn from the State of Hawai'i work on energy independence. Rather than a focus on only wind energy and incremental energy changes these alternatives broaden the perspective and scope so that all energy resources and related actions can be considered and expedited. The development of the Hawai'i Energy Independence Plan Programmatic EIS would have the following advantages:

1. Introduce use of a policy-level EIS and Tiered RODs to expedite State of Hawai'i energy planning, implementation, and monitoring
2. Lessen the need to make determinations of "potential for significant impacts" from proposed energy program and project actions
3. Reduce challenges and litigation risks over "potential for significant impacts" related to cumulative, connected, or similar actions such as changes and modifications of State resources or implementation of energy related programs and projects
4. Allow each proposed program and project under the Hawai'i Energy Independence Plan to be decided on a balance of State-wide and agency mission factors

By using this proposed methodology both the State of Hawai'i and DOE have the unique ability to create a vision of the future for the whole country by laying the groundwork for a "National Energy Independence Plan Programmatic EIS". The Secretary of Energy could replicate this NEPA process and craft a policymaking environment for the President to establish the first truly transparent course for energy independence in the US.

I appreciate the opportunity to review and comment on this very important venture by the State of Hawai'i and DOE. If you or Mr. Anthony J. Como from DOE need further discussion or explanation of any comments and recommendations contact me at 503-351-2142. I look forward to your summary of the scoping.

Sincerely,

Charles C. Alton
Director for Strategic Environmental Assessment

Submitted on Tue, Mar 01, 2011 / 01:05PM HST by charles C. Alton

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