

**Meeting of the
HAWAII ECONOMIC DEVELOPMENT TASK FORCE**

No.1 Capitol District (Hemmeter) Building
4th Floor Ewa Library
250 S. Hotel Street

**Tuesday, November 9, 2010
2:00 - 5:00 p.m.**

Members Present: Robin Campaniano, Luella Costales, Mark Duda, Mary Alice Evans for Abbey Mayer, Jeffrey Kissel, Earl Yamamoto for Sandra Kunimoto, Theodore Peck (Chair), Jeanne Skog, Mattie Yoshioka, Sylvia Yuen

Members Not In Attendance: Garen Deweese, Jacqui Hoover, Jeff Mikulina, Pono Shim, Laura Thielen

Other Attendees: Mark McGuffie, Enterprise Honolulu (representing Mr. Pono Shim), Gregg Kinkley (DBEDT Deputy Attorney General); Jim Mistysyn, BEI; State Energy Office: James Bac, Cameron Black, Colleen Miller, Mark Glick, Tim Ming, Estrella Seese, and Kathy Yim

Welcome and Motion to Approve Meeting Summary: Chair Theodore Peck opened the meeting at 2:10 p.m. by welcoming the task force members and submitted a motion to approve the meeting summary for 10-26-10. The Task Force approved the motion.

[Evans] Commented that the summary may be too detailed.

[Skog and Duda] Both agreed that the summary details were helpful.

[Chair] Wants to maintain summary style, but contingent on work constraints of task force support staff.

Review of Draft Legislative Report:

[Chair] Requested the Task Force members to take a few minutes to review the handout of the preliminary draft of the Legislative report mentioning that it is a first pass through to make sure we have it all.

[Chair] Noted that the draft needed to have pages numbered.

[Evans] On page 2, inquired if all of Table 1 contents – (1) Sources of Funding, (2) Strategic Alliances, (3) Programs/Agreements that May Be Enhanced, can be combined into one table. Inquired if report content should be downsized.

[Evans] Commented that it would be helpful to provide examples for #4 and #5 on page 2 of the draft report. [Seese] Added that definitions should be included.

[Skog] Commented that first pass is an over statement.

[Chair] Viewed the draft as heavy on ‘energy.’ Commented that the HCEI process for energy potentially could be applied to food security as appropriate.

[Evans] Commented institutional mechanisms maybe in the context of energy.

[Chair] Responded what I hear you saying is alternate institutional mechanisms without defining.

[Seese] Suggested defining and give examples.

[Chair] Mentioned that the process is on energy but move over to the food side. There is a gap in food side, need to fill in the space and report on what we’re going to do.

[Yoshioka] Wondered whether the Department of Agriculture report to the Legislature would be consistent with the HEDTF legislative report, without the HEDTF's review?

[Chair] His understanding is the Department of Agriculture legislative report focuses on their expenditure plan for the Agriculture Development and Food Security Special Fund. [Yamamoto] He was not sure that the Department of Agriculture legislative report would touch upon food-security.

[Yamamoto] Indicated that he would be sitting-in for Ms. Kunimoto in the interim period leading up to the changeover to a new Administration. His Department is constantly questioned on what crops and how much acreage is needed for agricultural viability? He also commented on the mix—how much for bioenergy and how much for agriculture.

[Chair] Agreed that the State does not support centralized planning for land utilization and what is grown.

[Duda] Commented that being part of a plan or not in the plan should be a concern [Chair] Disagreed.

[Yamamoto] 'Important Agricultural Land' designation is not target driven, nor a mechanism for crop policy, rather a mechanism to identify the lands. For important Agriculture lands need to stick to the land and water issue. Commented section reads rudely to farmers; tells them what to grow.

[Chair] Will make explicit in report it is not the Task Force's intent to dictate crops and acreage.

[Skog] is the third paragraph on "Food Security, page 3 needed? [Kissel] Agrees; paragraph unnecessary.

[Kissel] Inquired whether there is a consideration to diversify agriculture based on export crop by-products for food? Also, is the State looking at export crops that are disease resistant?

[Yamamoto] Responded that export crops are considered secondary, food self sufficiency more important than export.

[Kissel] Not talking about mono-crops, but perhaps boutique crops.

[Campaniano] There are **runoffs** from biofuels for by-products.

[Yuen] Looking to create self-sustaining systems. Perfect world- bi-products energy, food for animals.

[Costales] Need to show where the connections in energy are, which support agriculture.

[Chair] Renewable energy in support of Agriculture; dual use of food and fuel. For example, development of an ammonia plant for fertilizer and to detach from fossil fuels.

[McGuffie] Need to show links whereby the State gets the maximum from both energy and food development.

[Black] Companies have indicated that by-products are necessary for viable operations.

[Yoshioka] Noted the absence of the Counties in the report, particularly Kauai. [Chair] Commented, that initiatives, such as those by Kauai Island Utility Cooperative need to be identified.

[Kissel] Inquired whether there has been a consideration by the State to encourage government and population growth where there is energy access? By encouraging government expansion where resource access is available, it minimizes the energy use footprint.

[Chair] DAGS facility planning and 'Lead By Example' initiatives for new facilities reflect community development and County planning commission input.

[McGuffie] Consideration needs to be given to workforce development, which cuts down on transportation needs by considering energy and food efficiencies.

[Chair] Planning process includes energy efficiency, planning development by county- look at current plans and guidelines.

[Glick] Also neighborhood boards.

[Skog] The Legislative report needs to provide as an addendum the updated County plans.

[Chair] The Task Force needs to develop a strategy and workplan once it has been documented what's out there.

[Yuen] The Legislative report is coming up with the planning of follow-on years, but what about current year funds?

[Chair] As the interim plan moves forward, it still can include funding initiatives recommended by the Task Force.

[Yuen] Commented that there needs to be a coordinated approach in using current appropriations.

[Chair] The plan for current year expenditures is being coordinated with the Department of Agriculture, DBEDT, and the Hawaii Natural Energy Institute. The current year appropriation of \$3.3 million is not a lot of money if you consider that current Energy staff costs are \$4M, that if Administration costs are included the total is \$4.6M, and that after ARRA funds are depleted that the Energy Office may have to downsize. Consequently, the additional \$0.60 from the Energy Security Fund is needed to maintain Energy initiatives and staff at ARRA levels.

[Yoshioka] Questioned the Energy Security Special Fund expenditure plan without Task Force concurrence.

[Chair] Indicated the Energy Security Special Fund expenditure plan would be discussed with the Task Force. Also, that the Task Force can provide input regarding expenditures once the State Energy Program actually obtains funds. That adjustments to the budget can be submitted to the Administration prior to the Legislative Session if the Task Force has recommendations for the budget.

[Skog] Emphasized that for the Task Force to stand behind the Energy Security Special Fund expenditure plan submission, it needs to know how funds are being allocated.

[Chair] Advised the Task Force members that the Energy Security Special Fund expenditure plan would be discussed at the next Task Force meeting on November 23, 2010. Plan is to get there, fund what makes sense and economically possible, manage risk

[Campaniano] The Task Force needs to secure a broader base understanding of food and energy security. That security versus self-sufficiency needed to be clearly defined. Inquired whether there is an appropriate percentage for food (locally grown reliance)?

[Duda] The draft legislative report needs to have an executive summary and definitions up-front.

[Glick] Viewed the legislative mandate as very expansive. Said it would help if the Task Force could indicate what it wants to take on to make the legislative reporting more manageable.

[Chair] Advised Task Force members that definitions would be developed for:

1. Independence
2. Security
3. Self-sufficiency

Pointed out the UN definition for security was not the right one for Hawaii in his mind. That a determination of definitions is intended to provide the foundation for recommended policy goals for the State to adopt regarding food and energy security.

[Evans] Agreed that definitions would be very useful.

[Campaniano] Reiterated that energy has identified a 70% goal, and that food needed a similar appropriate goal.

[Chair] Explained that for the 70% clean energy goal, there was not a lot of analytical rigor at first. However, follow-on analysis was conducted that indicated it was possible. Based on the analysis a policy goal was developed using a plan as a process for realizing the goal and managing the barriers and risks.

[McGuffie] The State has the opportunity to showcase how it manages food and energy security, and that process can be used to help others.

[Costales] Indicated, that she had received a call from a farmer regarding food safety within the context of food security. She viewed ‘food safety’ as a separate topic in itself. The Task Force members agreed to exclude ‘food safety,’ in the discussion of food security.

[Black] Commented, that by identifying risks you determine the “why.”

[Evans] Table on Page 4, needs to cite source of information.

[Skog] Cautioned that the Legislative report should not overstate the depiction of the Task Force meetings. Also, that the question “So what?” needs to be addressed and tied back to the Task Force. Further, that the work of County organizations, such as the Maui County Energy Alliance should be included.

[McGuffie] Advised that the Hawaii Statewide ‘Comprehensive Economic Development Strategy (CEDs) for 2010, would be relevant to the Task Force. [Evans] Added that the ‘Pre-final’ report could be found on the State Office of Planning website.

[Duda] Inquired about the policy framework for taking potential ‘from where we are’ to goals?

[McGuffie] Comment on top of page 3- did we actually do this? Energy security, only HCEI, if we go here try to be more comprehensive, figuring out context. All good information not sure if that’s what we need to do.

[Yamamoto] Indicated that ‘food security’ as a topic is a fairly recent issue by the Administration. The question of how much land is needed statewide for agriculture has been an unanswered issue. Also, the lack of incentives hampers direction when farmers can make choices.

[Chair] Indicated the need for the Task Force to plan out its thinking for next year.

[Yuen] It would be helpful to map out the commonalities (align) and differences of State and County plans.

[Skog] Commented that it is not a question of alignment, since elements of State planning is based on County plans, as in the case of ‘CEDs.’

[McGuffie] There is a need to crystallize in summary Hawaii’s existing plans, frameworks, and gaps. Make recommendations.

[Glick] How do we take on food security?

[Yamamoto] Nagging thing is acreage, what kind of crops, how much land for agriculture statewide. As long as farmers have choices to make there are incentives. Existing studies regarding outer limits, import, crop restoration.

[Costales] Commented that crops can be fragile and that invasive species can contribute to adverse impacts.

[Chair] Task Force needs to build a calendar for plan development for each task as follows:

1. What’s critical,
2. Remaining
3. Analysis
4. Recommendations for legislation

Review of Tables for the Ten (10) HEDTF Tasks:

[Evans] Questioned whether it was possible to address tasks in one table? Also, she was under the impression that task details were being set-aside as a follow-on task to the current Legislative report.

[Skog] Commented that it may be an over-statement to view the tables as even a first pass in addressing the Legislative tasks mandated under Act 73(10).

Task 1: Identify and review each state and county agency's policy objectives, mandates, organizational structure, and resources to address energy and food security issues;

[Bac] As requested by the Task Force reviewed all Hawaii Departments for an agriculture/energy role. Relevant programs under the Departments are identified.

Task 2: Identify all federal and private funds available to the State and counties to address energy and food security issues;

[Bac] Based on the observation of the Task Force looked into identifying additional private funds that have operated in Hawaii.

Task 3: Identify effective measures for interagency cooperation, coordinate efforts with the counties, and promote public- and private-sector partnerships to achieve the objective of energy and food security;

[Bac] Added County organizations, which were identified for partnerships.

Task 4: Identify existing programs and agreements addressing energy and food security that may be enhanced through legislation;

[Bac] No additions made.

Task 5: Investigate alternative institutional mechanisms to promote the efficient execution and implementation of a multi-year strategy to achieve energy and food security;

[Bac] No additions made.

Task 6: Investigate the streamlining of administrative processes to accelerate and achieve energy and food security;

[Bac] No additions made.

Task 7: Provide an appropriate forum for all affected or interested parties to address energy and food security issues;

[Bac] Re-formatted the listing to reflect in general the categorical issues presented by Ms. Kunimoto.

[Evans] Observed that the issues cited were a listing rather than a forum.

[Bac] Agreed that the listing does not reflect a forum. Indicated, that the vehicle for a forum was a Task Force decision.

Task 8: Recommend appropriate legislation resulting from its findings to improve, accelerate, and achieve the objective of energy and food security;

[Bac] Added as a legislative proposal a suggestion by Ms. Kunimoto to do away with the requirement of matching federal funds for capital improvement requests.

Task 9: Review whether:

(A) The apportionment of the environmental response, energy, and food security tax among the funds listed under section 243-3.5, Hawaii Revised Statutes, is appropriate;

(B) The apportionment should be changed; and

(C) Any additional special, trust, or revolving fund should receive a share of the tax; and

[Bac] For this task, the input and consensus of Task Force members is needed.

Task 10: Perform any other function necessary to effectuate the purposes of this part.

[Bac] For this task, the input and consensus of Task Force members is needed.

Next Meeting: Tuesday, November 23, 2010, 2-5 p.m., Ewa 4th Floor Library, No.1 Capitol District (Hemmeter) Building, 250 S. Hotel Street.

See attached Meeting Agenda.

HEDTF Future Meeting Date:

- Wednesday, December 8, 2010.

Suggestions For Future Agenda: County by County case studies of specific issues and plans providing a ‘down to up’ understanding.

Adjournment: The meeting was adjourned at 4:35 p.m.