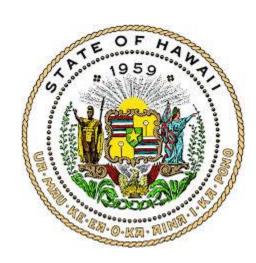
Facilitation of Permit Processing

Biennial Report to the Legislature
In Accordance with Act 237, Session Laws of Hawaii, 1985

December 2014



STATE OF HAWAII

Department of Business, Economic Development, and Tourism



EXECUTIVE SUMMARY

In 1985, Act 237 was enacted, which directs the State of Hawaii Department of Business, Economic Development, and Tourism (DBEDT) to serve as the lead agency in the administration of a facilitated application procedure for projects requiring state and county permits.¹ Act 237 (1985) also directs DBEDT to operate a permit information and coordination center for public use and maintain a repository of laws, rules, procedures, permit requirements, and criteria of federal, state, and county permitting agencies in Hawaii. DBEDT is also granted authority under Act 237 (1985) to monitor the processing of permits to determine process inefficiencies and pursue the implementation of streamlining measures, including the design of forms, applications, and checklists. Act 237 (1985) requires DBEDT to submit biennial reports to the Hawaii State Legislature describing the actions taken, problems encountered, and legislative actions that may be needed to further implement Act 237 (1985). This Report describes these activities.

DBEDT encompasses a wide variety of agencies, authorities, offices, commission, and departments that serve to support and regulate economic activities in Hawaii. Divisions within DBEDT more focused on supporting industry have taken the lead on permit facilitation, namely the Hawaii State Energy Office (HSEO) and the Hawaii Film Office (HFO).

Hawaii State Energy Office Facilitation

HSEO facilitates the development of renewable energy in Hawaii in two major ways, discussed infra:

- 1. Guidance and Interactive Self-Help Resources
- 2. Project-Specific Facilitation

These resources are in direct support of Hawaii's goal of cost-effectively going beyond 40% Renewable Portfolio Standards (RPS) by 2030 and in recognition that project permitting can comprise up to 20% of the construction costs (National Renewable Energy Laboratory, 2013). Specifically, HSEO offers these resources in order to expedite the permitting process of new renewable energy facilities while helping to reduce associated soft costs. For example, the interactive self-help resources described below better prepare renewable energy facility permit applicants for the various permitting processes required, increase facility permitting transparency and predictability, aid the faster processing of permits, and support the appropriate siting of renewable energy facilities.

The descriptions of the individual HSEO permitting resources herein include how each tool is used, the issues/challenges each tool is designed to resolve, and the impact each tool has on the facilitation of permitting for renewable energy projects in Hawaii. Feedback from renewable energy developers, their consultants, and many federal, state, and county permitting agencies in Hawaii is that these resources can save time and costs during initial project siting/scoping and throughout the various stages of project permitting.

Guidance and Interactive Self-Help Resources

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¹ The current DBEDT Administration has not received any written requests for the facilitated application process set forth under HRS §201-62. Hence, this report will focus on the other elements of Act 237.

HSEO provides all stakeholders tools and resources to help them navigate through the numerous regulatory processes and conduct the necessary due diligence required to design and construct renewable energy projects in Hawaii's communities and diverse, environmentally sensitive ecosystems. Examples include: online permitting and siting tools; permit guidance materials (e.g., checklists, informational briefs); programmatic environmental review; and, providing information on facility siting, project finance, energy statistics, Hawaii business registration, utility interconnection, industry publications, and renewable energy projects in existence or proposed for development.

The following resources created by HSEO and its partners facilitate the permitting and development of renewable energy and other projects in Hawaii. They can be found at the HSEO online *Developer & Investor Center* (http://energy.hawaii.gov/developer-investor), a one-stop central forum that provides useful information to all renewable energy developers and stakeholders:

- Renewable Energy Permitting Wizard
- Renewable EnerGIS Mapping Tool
- Hawaii Renewable Energy Projects Directory
- Hawaii Department of Health e-Permitting Portal
- Guide to Renewable Energy Facility Permits in the State of Hawaii
- 160+ Permit Briefs describing processes to obtain various federal, state, and county permits
- Information on Financing and Incentives for Renewable Energy Projects, Land Resources for Renewable Energy Projects, Utility Resources, and Developer and Investor Opportunities

The *Center* is a publically available permit information and coordination center which provides guidance on permits and procedures that may apply to specific projects. The permitting resources listed above are a repository of laws, rules, procedures, permits requirements, and criteria of federal, state, and county regulatory agencies, which are updated and maintained by DBEDT to reflect current permitting practices.

Project-Specific Facilitation

Project-specific facilitation focuses HSEO efforts on individual projects or entities in need of assistance. Examples include: providing guidance to developers conducting due diligence on specific projects; assisting government projects and initiatives; and, supporting individual project permits as needed.

Hawaii Film Office Facilitation

Per HRS §201-14, DBEDT is responsible for management of the one-stop-shop film permitting program. Film permits are required for all filming activity, commercial or non-commercial, which will take place on State lands and in waters where the State has jurisdiction. As the liaison between government and filmmaker, the Hawaii Film Office (HFO) works closely with other state agencies, the county film offices, federal agencies within the state, and private property owners to help filmmakers determine the permits they need to film in public areas.

HFO is the central coordinator for filming use of locations administered by the State of Hawaii, such as parks, beaches, harbors, highways, and state facilities. The county film offices coordinate permits for locations under their respective counties, such as city streets and buildings.

DBEDT's Film Office began the process of migrating the permit system to an online format in 2011-2012 to: 1) improve accessibility to a permitting network 24/7; and, 2) to maximize efficiencies and streamline the film permitting process in phases. HFO launched the First Phase of the Online Permit Application system with the "Open and Accessible Sites" (O/A) permit (https://hfo.ehawaii.gov/film/p/welcome.html). This First Phase enables electronic submission and processing of the O/A Permit for pre-approved state lands under the jurisdiction of the Department of Land and Natural Resources (DLNR). Through this effort, and in discussion with industry and State agencies, it was determined that the O/A adequately covered the Annual Film Permit Process, and to eliminate redundancy, the two permits are being consolidated into the O/A permit beginning December 2014. In 2014-2015, the development of the Second Phase of online permitting will launch the DLNR/Parks Permit process.

Report to the Hawaii State Legislature on Facilitation of Permit Processing

This Report describes the permit facilitation activities conducted by DBEDT in accordance with Act 237 (1985), with focus on its two divisions, HSEO and HFO, which have taken the lead in this area.

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FACILITATION OF PERMIT PROCESSING (HRS §201-61 to -65)

In 1985, the Hawaii State Legislature passed Act 237 (Facilitation of Permit Processing) – codified by Sections 61 through 65 of Chapter 201, Hawaii Revised Statutes (HRS) – which directs DBEDT to serve as the lead agency to administer a facilitated application procedure for any project requiring county permit applications and state agency approval. The current DBEDT Administration has not received any written requests for the facilitated application process set forth under HRS §201-62. Hence, this report will focus on the other elements of Act 237.

HRS §201 also directs DBEDT to: (1) operate a permit information and coordination center for public use during normal working hours, which provides guidance in regard to the permits and procedures that may apply to specific projects; and, (2) maintain and update a repository of the laws, rules, procedures, permit requirements, and criteria of federal, state, and county agencies having control or regulatory power over land and water use for development or the control or regulatory power over natural, cultural, or environmental resources.

HRS §201 also gives DBEDT the authority to: (1) monitor permits on an ongoing basis to determine the source of inefficiencies, delays, and duplications and the status of permits in progress; (2) pursue the implementation of streamlining measures including, but not necessarily limited to, those measures defined in consultation with affected state agencies, county central coordinating agencies, and members of the public; and, (3) design applications, checklists, and other forms essential to the implementation of approved streamlining measures in coordination with involved state and county regulatory agencies, and members of the public.

Finally, HRS §201 requires DEBDT to submit biennial reports to the Hawaii State Legislature on actions taken, problems encountered, and legislative actions that may be needed to further implement Act 237 (1985) and the facilitation of permit processing.

PERMIT PROCESSING FACILITATION: HAWAII STATE ENERGY OFFICE

This section discusses the actions taken by DBEDT, through the Hawaii State Energy Office (HSEO), to facilitate the permitting of projects in Hawaii. HSEO facilitates the development of renewable energy in Hawaii in two major ways, discussed infra: (1) Guidance and Interactive Self-Help Resources; and, (2) Project-Specific Facilitation. These resources are in direct support of Hawaii's goal of cost-effectively going beyond 40% Renewable Portfolio Standards (RPS) by 2030 and in recognition that project permitting can comprise up to 20% of the construction costs (NREL, 2013). Specifically, HSEO offers these resources in order to expedite the permitting process of new renewable energy facilities while helping to reduce associated soft costs. For example, the interactive self-help resources described below better prepare renewable energy facility permit applicants for the various permitting processes required, increase facility permitting transparency and predictability, aid the faster processing of permits, and support the appropriate siting of renewable energy facilities.

HSEO Guidance and Interactive Self-Help Resources

HSEO has been focused on developing self-help tools and resources that empower users to better understand the regulatory requirements for individual renewable energy projects in Hawaii, which facilitates better project planning, design, and development.

Demonstrating Hawaii's innovation and leadership in this area, some of these resources were featured by the National Association of State Energy Officials (NASEO) in November 2013 as best-practice state energy office streamline initiatives designed to maximize the potential for abating the soft costs associated with renewable energy permitting processes.³ Also, in a May 2014 peer review of its grant awardees, the United States Department of Energy (USDOE) described HSEO's Renewable Energy Permitting Wizard as a "particularly impressive" component of HSEO's permit facilitation suite (discussed infra) developed to help reduce the implementation costs of solar energy in Hawaii.⁴

Currently, HSEO is able to track the visitation traffic for many of its resource websites, and provides additional metrics to measure the impact of each resource where available. For each resource, a brief summary of the following are provided:

Tool Usage: Describes how the tool is being used by targeted stakeholders.

² Renewable Energy Permitting Barriers in Hawaii: Experience from the Field, National Renewable Energy Laboratory (Mar. 2013), http://www.nrel.gov/docs/fy13osti/55630.pdf

³ NASEO Best Practices Review: Streamlined Renewable Energy Permitting Initiatives, National Association of State Energy Officials (Nov. 2013), http://www.naseo.org/data/sites/1/documents/publications/NASEO-Best-Practices-Review--Streamlined-RE-Permitting-Initiatives.pdf

⁴ SunShot Initiative 2014 Peer Review Report, p. 295, United States Department of Energy (Aug. 2014), http://energy.gov/sites/prod/files/2014/09/f18/2014 sunshot peer review report%209%2022%2014.pdf

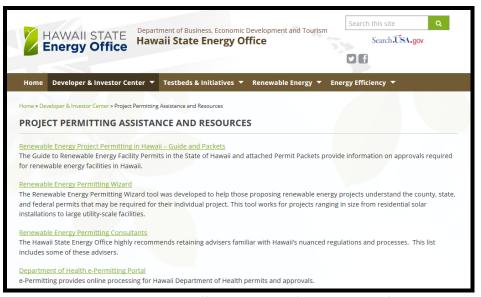
- <u>Challenges/Issues Addressed</u>: Describes the known challenges and issues the tool seeks to address.
- Impact: Quantifies, based on best data available to HSEO, the impact this tool has on facilitating the permitting and lowering the cost of renewable energy projects in Hawaii.

Developer & Investor Center (Center) (http://energy.hawaii.gov/developer-investor)

HSEO's online *Developer & Investor Center* provides important technical assistance, permitting tools and local connections to accelerate a renewable energy project's journey to the marketplace, where the rewards will be felt statewide. The *Center* is a dynamic resource that offers guidance on key phases of project development: permitting, local utility interconnection, regulation, Hawaii business registration, project financing and local incentives, local consultants, and site acquisition in Hawaii. It links to *Project Permitting Assistance and Resources*, which hosts the *Guide to Renewable Energy Facility Permits in Hawaii*, *Permit Briefs*, a list of consultants with permitting experience in Hawaii, and the Hawaii Department of Health (DOH) *e-Permitting Portal* (discussed infra). The *Center* connects users to the *Hawaii Business Express Online Business Registration* website to allow users to create and register a new business in Hawaii online. The *Center* also hosts the *Self-Help Energy Suite*, created and maintained by HSEO to advance high impact, clean energy alternatives.

- Tool Usage: This tool has a wide ranging audience and applicability, including: sophisticated developers who need information or need to apply for one particular permit or process; start-up companies who need to know all aspects of doing business in Hawaii; homeowners who need information on their solar installations. Additionally, users from the following countries have accessed the *Center*, demonstrating a global interest in the Hawaii renewable energy industry: U.S., India, Germany, Australia, Canada, France, Japan, South Korea, Czech Republic, China, Spain, Sweden, Switzerland, and the United Kingdom.
- Challenges/Issues Addressed: Developing or installing a renewable energy project in Hawaii requires approvals from multiple public and private entities. The Center is the only "one-stop shop" resource in Hawaii that provides valuable information across all phases of project development, including: state policies, regulatory compliance, grid interconnection, project siting, incentives, developing a project team, and registering a business in Hawaii.
- o <u>Impact</u>: The *Center's* resources are designed to reduce project due diligence costs and timelines by providing a comprehensive central repository of information. The *Center* has recorded 3,649 webpage views since its launch in October 2012, with over 890 webpage views from January 1, 2014, to November 3, 2014, not including hits to the individual resource links within the *Center*.

Project Permitting Assistance and Resources (http://energy.hawaii.gov/developer-investor/project-permitting-assistance-and-resources) HSEO's *Project Permitting Assistance and Resources* website is the only online resource HSEO is aware of that provides detailed information on obtaining individual permits from numerous county, state, and federal permitting agencies in Hawaii; reducing project due diligence costs and timelines by providing a comprehensive central repository of project permitting and siting information.



Hawaii State Energy Office Website (http://energy.hawaii.gov/developer-investor/project-permitting-assistance-and-resources)

- Tool Usage: This tool has a wide ranging audience and applicability, including: sophisticated developers who need information or need to apply for one particular permit or process; start-up companies who need to know all permits required for a project without retaining a consultant; homeowners who need information on their solar installation permits; permitting agencies who are interested in other agency processes; policymakers and citizens who want a better understanding of cross-jurisdictional permitting regimes.
- <u>Challenges/Issues Addressed</u>: Project development and financing (investments, tax credits) timelines are significantly impacted by permitting schedules. This cross-jurisdictional resource helps users draft a realistic timeline for the permitting of specific projects. It also speeds project development and minimizes project impacts by identifying pitfalls and effective mitigation/avoidance strategies specific to developing renewable energy projects in Hawaii.
- Impact: The Project Permitting Assistance and Resources website has recorded over 2,000 webpage views since its launch in October 2012, with just over 200 webpage views from January 1, 2014, to November 3, 2014.

The Project Permitting Assistance and Resources website provides:

Guide to Renewable Energy Facility Permits in the State of Hawaii (Guide)

The *Guide* was developed to help those proposing renewable energy projects in Hawaii understand the county, state, and federal permits that may be required for their individual project. It also provides insight into developing large-scale projects in Hawaii by describing the siting challenges unique to Hawaii, including the Hawaii environmental review process (Chapter 343, Hawaii Revised Statutes), local cultural and archeological resources, endangered species and habitats in Hawaii, overlaying zoning districts, importance of community engagement, and more.

Tool Usage: This tool has a wide ranging audience and applicability, including: sophisticated developers seeking comprehensive guidance on impacts and permitting requirements unique to renewable energy projects in Hawaii; start-up companies who need to know all permits required for a project without retaining a consultant; homeowners who need information on their solar installation permits; permitting agencies who are interested in

- other agency processes; policymakers and citizens who want a better understanding of permitting requirements and project impacts.
- <u>Challenges/Issues Addressed</u>: Project impacts are most effectively and efficiently mitigated during the early project siting and design phase. The *Guide* supports smart project design location as the only resource that discusses project impacts, mitigation strategies, and regulatory requirements specific to Hawaii's environment and renewable energy industry.
- Impact: HSEO does not have analytics tracking the number of times the *Guide* has been accessed online. Feedback from local consultants specializing in the development of renewable energy projects in Hawaii indicates the *Guide* is most useful during initial project due diligence.

• Permit Briefs (Briefs)

Complementing the *Guide*, the *Briefs* provide processing and general information on over 160 individual county, state, and federal permits required for renewable energy projects in Hawaii; including permit process steps, estimated timelines and costs, agency contacts, relevant laws and references, and best practices to most effectively navigate the process. HSEO works with the relevant county, state, and federal agencies to update the *Briefs* consistent with current agency practices, policies, and procedures.

- Tool Usage: This tool has a wide ranging audience and applicability, including: sophisticated developers who need information or need to apply for one particular permit or process; start-up companies who need to know all permits required for a project without retaining a consultant; homeowners who need information on their solar installation permits; permitting agencies who are interested in other agency processes; policymakers and citizens who want a better understanding of cross-jurisdictional permitting regimes.
- <u>Challenges/Issues Addressed</u>: Understanding the process steps and timelines for individual permits is key to project planning and financing. The *Briefs* support the development of a realistic permit plan and timeline, which can be used in investment packages, dealings with utilities, workforce, and equipment providers.
- Impact: HSEO does not have analytics tracking the number of times the *Briefs* have been accessed online. Feedback from local consultants specializing in the development of renewable energy projects in Hawaii indicates the *Briefs* are useful during initial project due diligence and when seeking individual permits.

With additional funding from USDOE to reduce project 'soft costs,' HSEO is upgrading the *Project Permitting Assistance and Resources* with assistance from Tetra Tech, a firm with experience in renewable energy facility permitting and development in Hawaii. In December 2014, HSEO will start publishing and more actively promoting these updates resources.

Hawaii Department of Health e-Permitting Portal (e-Permitting) (https://eha-cloud.doh.hawaii.gov/epermit/) e-Permitting is an online permitting platform launched by DOH in the spring of 2012 that enables the electronic submission and processing of DOH Environmental Health Administration (EHA) permits. In May 2010, DBEDT and DOH executed a Memorandum of Agreement to develop an online permitting tool. This partnership allowed DOH to retain software developer Windsor Solutions to develop an online permit processing tool that empowers DOH staff and provides the regulated community sought-after transparency into the processing of their individual permits. DOH can now electronically develop, control, and manage many administrative and permitting forms issued by DOH-EHA, including the necessary permit (application) modifications in response to changing state and federal requirements.

Permit applicants can now track their application through to issuance, and instantaneously and directly interact with DOH staff processing their permit(s).

Given the numerous permits under DOH-EHA jurisdiction required for renewable energy facilities in Hawaii, enhancing DOH-EHA's ability to process and manage a high volume of permits will facilitate renewable energy development in Hawaii for years to come. *e-Permitting* has been implemented in other states and can serve as a model for other Hawaii agencies considering electronic permit filing and management. *e-Permitting* was awarded a 2013 Excellence in Technology Award from the State of Hawaii Office of Information Management and Technology under the "Digital Government: Government to Business" category.

- o <u>Tool Usage</u>: This tool is most applicable to tevelopers and consultants who need information or need to apply for one particular DOH-EHA permit or process.
- <u>Challenges/Issues Addressed</u>: Electronic filing and processing provided by *e-Permitting* addresses numerous challenges: (a) increased efficiency in permit filing, processing, and file management benefits external users and DOH staff; (b) increased transparency into the permit process; and, (c) electronic fee acceptance and deposit.
- Impact: Since its launch, 2,066 applications (\$726,916 in processing fees) have been received electronically. Of these, 1,713 applications completed. According to DOH, e-Permitting also reduces staff time processing permits and has reduced average permit processing times.

Self-Help Energy Suite (http://energy.hawaii.gov/developer-investor)

The Self-Help Energy Suite (Suite) hosts HSEO's innovative and interactive online permitting tools which promote effective project design and location:

• Renewable Energy Permitting Wizard (Permitting Wizard) (http://wizard.hawaiicleanenergyinitiative.org/)
The Permitting Wizard helps those proposing renewable energy projects in Hawaii identify and understand the county, state, and federal permits required for their individual project regardless of technology type (wind, solar, geothermal, wave, bioenergy, waste-to-energy, etc). Users are asked a series of questions relating to their project(s) and their answers prompt the Permitting Wizard to identify the permits required. To compare projects, users can run numerous scenarios to determine how project design or location changes impact the permits required.

The *Wizard* serves as a model for a similar "wizard" currently being developed by the National Renewable Energy Laboratory (NREL) and is considered a case study in effective means of permit facilitation by the National Association of State Energy Officials. In addition to receiving favorable review by USDOE, the *Permitting Wizard* was awarded a 2013 Excellence in Technology Award from the State of Hawaii Office of Information Management and Technology under the "Cross-Boundary Collaboration and Partnerships" category.

- Tool Usage: This tool has a wide ranging audience and applicability, including: sophisticated developers who need information on the permits required for their projects; start-up companies who need to know all permits required for a project without retaining a consultant; homeowners who need information on their solar installation permits; permitting agencies who are interested in other agency processes; policymakers and citizens who want a better understanding of cross-jurisdictional permitting regimes.
- <u>Challenges/Issues Addressed</u>: Project impacts are most effectively and efficiently mitigated during the project siting and design phase. The *Permitting Wizard* supports smart project design location by enabling users to immediately and remotely identify the permits required

- for specific projects. Users can also compare the permitting requirements for the same project at different sites.
- Impact: In 2014, 36 users registered and created an account for the *Permitting Wizard* from various renewable energy sectors developers, investors, regulatory agencies, and consultants. This does not account for all the non-registered users. Starting in November 2014, HSEO will be able to track the number of visits to the upgraded *Permitting Wizard* website. The *Permitting Wizard* has garnered positive feedback from the United States Department of Defense (USDOD), local permitting agencies, local consultants, and other users.

With funding from USDOE (SunShot Grant), HSEO is in the process of updating the functionality, appearance, and permit content of the *Wizard*. The revamped "*Wizard 2.0*" is scheduled to be released in December 2014.

Renewable EnerGIS Mapping Tool (EnerGIS) (http://energy.hawaii.gov/resources/renewable-energis-map) EnerGIS provides renewable energy resource and site information for specific Hawaii locations, enabling developers to conduct high level site due diligence remotely and instantly. Using this tool, developers can generate a list of potential sites for development consideration to support their own project siting efforts and in some cases alleviate the need for third-party assistance identifying and locating suitable project sites. EnerGIS allows a lay user to identify the important attributes related to siting and permitting – such as zoning, critical habitat, slope, and rainfall – for specific land parcels throughout the State of Hawaii. Maps can also be created to show certain resources, such as solar irradiance and wind power density, statewide, allowing the user to refine his or her search to areas with high resource potential. Although this mapping application has functionality which is similar to applications launched by other agencies for other purposes, EnerGIS is the only mapping application focused on presenting information about renewable energy resources development in Hawaii.

A product of the partnership between HSEO, the Hawaii Office of Planning (OP), and developer BEI Consulting, *EnerGIS* uses existing geographic information systems (GIS) data and system operations managed by OP. *EnerGIS* was awarded a 2013 Excellence in Technology Award from the State of Hawaii Office of Information Management and Technology under the "Fast Track Solutions" category. HSEO and OP are now contracting for upgrades to the functionality and usability of *EnerGIS*, with upgrades scheduled to be completed by June 2015.

- Tool Usage: This tool has a wide ranging audience and applicability, including: -large scale renewable energy developers can remotely find and assess suitable sites for their projects; landowners can gauge the potential for renewable energy developments on their lands; policy makers can better understand the geographic distribution and potential of renewable resources; and, the general public can obtain information relating to clean energy project siting.
- <u>Challenges/Issues Addressed</u>: EnerGIS helps to address the challenge of finding a site with suitable attributes – island, terrain, resource potential – for a given renewable energy project and technology. It also supports individual site assessments, which contributes to both site-specific and systemwide grid planning.
- Net Impact: From January 1, 2014 to November 3, 2014, EnerGIS recorded 4,541 sessions from 1,388 users; including users located in the United States, Germany, Canada, Japan, United Kingdom, India, Switzerland, China, Italy, and South Korea. These numbers demonstrate interest in EnerGIS from the development community and its ability to support

remote site identification. *EnerGIS* saves HSEO and OP considerable time, as HSEO specialists can quickly create customized maps to review the attributes of proposed projects without relying on OP's GIS technicians' expertise and availability.

- Hawaii Renewable Energy Projects Directory (Directory) (https://energy.ehawaii.gov/epd/public/energy-projects-map.html)

 The interactive Directory is an online listing to find and learn about existing and proposed renewable energy projects in Hawaii. The Directory lists projects statewide, showcasing the variety of renewable energy resources that are being harnessed to move us closer to reaching our overall clean energy goal. The Directory is updated periodically by HSEO based on publically available information from a variety of sources on each identified renewable energy project.
 - O Tool Usage: Identifying existing and proposed projects helps local regulatory agencies better understand the cumulative landscape of renewable energy projects in Hawaii, and informs local communities of projects planned in their area to facilitate community involvement prior to project construction. It also demonstrates Hawaii's market potential to prospective investors and developers.
 - <u>Challenges/Issues Addressed</u>: The *Directory* is the only public repository identifying both existing and proposed renewable energy projects statewide.
 - o <u>Impact</u>: From January 1, 2014 to November 3, 2014, the *Projects Directory* website recorded 3,603 sessions from 2,502 users, including users located in the United States, Germany, Japan, United Kingdom, France, Poland, China, Italy, and South Korea. These numbers demonstrate internationals interest in the development of renewable energy projects in Hawaii

Programmatic Environmental Review

On December 14, 2010, the U.S. Department of Energy (USDOE) issued a Notice of Intent (NOI) to prepare a *Programmatic Environmental Impact Statement (PEIS)*, with the State of Hawaii (represented by the Hawaii State Energy Office) as a joint lead, on the wind phase of the Hawaii Interisland Renewable Energy Program (HIREP) (75 FR 77859). That NOI referred to the *PEIS* as the "HIREP: Wind PEIS." HIREP narrowly considered wind and undersea transmission technologies between Oahu and Maui County. In response to public scoping comments, as well as regulatory and policy developments since the scoping meetings, USDOE and HSEO decided to broaden the scope of the *PEIS* to include a wider range of clean energy activities and technologies with the potential for near-term development or application in Hawaii. USDOE also assumed the lead for the *PEIS* under the federal National Environmental Policy Act (NEPA). Accordingly, the project was renamed the "Hawaii Clean Energy PEIS."

The *Draft PEIS* was presented for public comment in the second quarter of 2014. Public meetings were held statewide. Stakeholders and the general public were invited to submit comments on the draft document orally at the meetings, in writing and electronically. After responses are prepared to the comments, the *PEIS* will be released in final form in late 2014 or early 2015.

- Tool Usage: The PEIS will be useful as a reference document for the state, county, and federal government agencies and private project developers when project-specific environmental documents are prepared. The PEIS will further serve as guidance the USDOE can use in making decisions about future USDOE funding and other actions to support Hawaii in achieving its HCEI objectives.
- <u>Challenges/Issues Addressed</u>: The *PEIS* serves two of our State energy policy principles, namely, diversifying our energy portfolio and helping to balance technical, economic, environmental and cultural considerations.

o <u>Impact</u>: Upon finalization and public release of the PEIS, it will serve as a valuable reference tool across the private and public sector to more readily identify project-specific environmental impacts and associated mitigations and best practices; this should ultimately translate into more timely and effective project development. Furthermore, the PEIS could be used to support future funding decisions by USDOE to support HCEI.

Planned Initiative: Electronic Permitting

HSEO plans to maintain its focus on developing high impact solutions and tools to facilitate the permitting of renewable energy projects in Hawaii.

Specific near-term high impact solutions in HSEO's permit facilitation plan include the development and implementation of electronic/online permitting and asset management systems in partnership with selected state agencies. HSEO has identified specific state agencies key to renewable energy project permitting in Hawaii (i.e., Department of Land and Natural Resources or DLNR) and is in the process of executing a contract for the development of an electronic permit system for select DLNR divisions involved in the regulation of renewable energy developments.

PROJECT-SPECIFIC FACILITATION

HSEO fields frequent requests for assistance and guidance from renewable energy developers in Hawaii, ranging from guidance on general project proposals to discussion of specific permitting and siting issues. HSEO also provides prospective developers information on key agencies and stakeholders (e.g., community groups, neighborhood boards). As part of this process, HSEO actively encourages prospective developers to consult stakeholders early in the project development phase and work collaboratively to identify and address project challenges. On a case-by-case basis, HSEO also helps facilitate meetings between developers and various county, state, and federal permitting agencies that often have overlapping jurisdictions in the overall review and permitting of proposed projects.

Individual Project Facilitation

Since 2009, the Hawaii State Energy Office (HSEO) within DBEDT has played a key role in this progress by, among other things, assisting the permitting and siting of installed facilities (see below chart) with capacity to produce over 125 megawatts (MW) of local renewable energy and two pilot projects with promising biofuel and synthetic natural gas potential:

Facility	Developer	Location	Resource	MW
Port Allen Solar Facility	Alexander & Baldwin	Port Allen, Kauai	Photovoltaic	6
Kawailoa Wind Farm	First Wind	Haleiwa, Oahu	Wind	69
Kapolei Sustainable Energy Park	Forest City	Kapolei, Oahu	Photovoltaic	1.1
Kalaeloa Solar Power II	SunPower	Kalaeloa, Oahu	Photovoltaic	5
Kalaeloa Renewable Energy Park	Hunt, Hanwha Solar	Kalaeloa, Oahu	Photovoltaic	5
Synthetic Renewable Natural Gas Pilot Facility	HAWAII GAS	Kalaeloa, Oahu	Biofuel	Pilot
Integrated Bio Refinery Pilot Facility	UOP/Honeywell	Kalaeloa, Oahu	Biofuel	Pilot
Kaheawa Wind Power II	First Wind	Kaheawa, Maui	Wind	21
Auwahi Wind Farm	Sempra Generation	Ulupalakua, Maui	Wind	21
SkyGrid Energy Agricultural Wind Project	Gen-X Energy	Hawi, Hawaii	Wind	0.1
Waikoloa Water Community Wind Project	HWS Wind 001 LLC	Waikoloa, Hawaii	Wind	0.1

HSEO staff also assists individual renewable energy projects and developers currently doing business in Hawaii or interested in doing business in Hawaii. Given the strong interest in Hawaii's energy market, developers from around the world seek HSEO guidance.

Depending on the needs of the project or developer, typical facilitation provided by HSEO includes:

- Identifying county, state, and federal permitting requirements for individual projects;
- Sharing lessons learned from the development of similar projects in similar areas;
- Identifying key county, state, and federal agencies;
- Connecting agencies to developers;
- Preliminary identification of environmental, cultural, and zoning issues presented by certain renewable energy facilities and technologies, particularly the impacts to Hawaii's sensitive environments;
- Relaying perceived community sentiments regarding the development of projects in their areas;
- Coordinating meetings with permitting agencies and other stakeholders to discuss specific projects or issues;
- Recommending public and private stakeholders to consult during project due diligence;
- Engaging and supporting permitting agencies on the processing of project permits; and,
- Providing prospective developers information on similar facilities and/or permitting processes.

HSEO's goal is to focus its resources on high impact projects and solutions that meet a balance of technical, economic, environmental, and cultural considerations. HSEO has a questionnaire on its website for developers to complete prior to meetings with HSEO staff so HSEO can direct them to the proper resource(s), provide them information via email response, or determine a meeting is worthwhile for both HSEO and the developer.

Assistance to Government Agencies

HSEO provides technical expertise and assistance to other state and federal departments considering the use of land assets for renewable energy development. HSEO has provided guidance and recommendations to the following agencies considering the use of their land assets for renewable energy development: DLNR, Hawaii Department of Hawaiian Home Lands, Hawaii Department of Agriculture, Hawaii Foreign-Trade Zone, and the United States Department of Defense (USDOD). HSEO assists these departments by providing assessments of a proposed project's technical and economic viability, and by providing guidance on the permitting and siting challenges of proposed renewable energy projects based on its potential impacts.

Upon request, DBEDT also provides assistance as provided under HRS §171-95.3 (Renewable energy producers; lease of public lands without public auction.), which provides for DBEDT to assist the negotiation of public lands for renewable energy development, through public auction or direct lease negotiation.

In addition, HSEO has been working with various entities within the USDOD to ensure Hawaii's energy and biofuel industries meet Hawaii residents' and USDOD's needs. Given the limited land area in Hawaii, careful planning is needed to determine the type of projects and technologies that should be pursued in the best long-term interests of all Hawaii residents. HSEO is also supporting USDOD initiatives to develop renewable energy projects on USDOD lands by providing guidance on permitting, utility interconnection, and potential environmental, cultural, social impacts of proposed projects. DBEDT intends to continue these important public initiatives and develop its role as advisor on energy matters to its government partners.

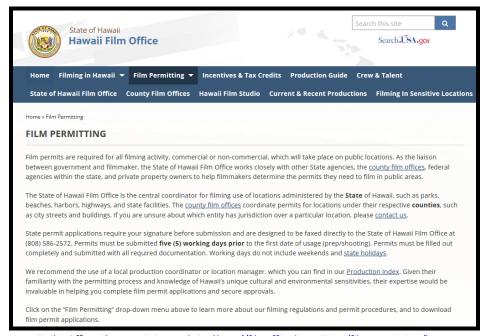
Having developed expertise on renewable energy technologies and the associated environmental impacts, HSEO also works with local, county, state, and federal permitting agencies to resolve ambiguities in existing permitting processes or laws. In some cases, HSEO assists agencies in developing public guidelines for the permitting of a given renewable energy technology (see City and County of Honolulu, *Solar Farm Guidelines and Solar Farm Self-Certification Form*). HSEO also provides technical guidance to agencies on given renewable energy technologies to help the agencies develop the most appropriate restrictions and require effective mitigation actions. Given the uniqueness of renewable energy technologies and facility siting, all permitting agencies and jurisdictions are developing regulatory expertise on the matter together as each new renewable energy project is proposed and developed.

PERMIT PROCESSING FACILITATION: HAWAII FILM OFFICE

This section discusses the actions taken by DBEDT, through the Hawaii Film Office (HFO), to facilitate the permitting of projects in Hawaii.

HFO Permitting Assistance

Established in 1978, the State of Hawaii Film Office is the one-stop central coordinator for film and photographic use of state-administered parks, beaches, highways, and facilities. HFO works closely with state agencies to assist filmmakers with acquiring film permits, and if necessary, directs them to the appropriate county and federal agencies. HFO also provides location, tax incentive, and production resource information to filmmakers, manages the Hawaii Film Studio at Diamond Head, promotes Hawaii as a filming destination, and develops the local film, television and digital media industries in the islands.



Hawaii Film Office Film Permitting Website (http://filmoffice.hawaii.gov/film-permitting/)

HFO Online Film Permit Application

In partnership with the State of Hawaii Department of Land and Natural Resources (DLNR), HFO has developed an online permitting tool that enables the entities to obtain permits to film in select state locations. This online resource enables the state to immediately confirm an applicant's insurance requirements prior to issuance of a permit, and enables applicants to create user accounts so they remain in the system once approved. HFO can process and approve permits within hours or days of

application, significantly facilitating the success of Hawaii's entertainment industry. HFO plans to expand the reach of this resource to additional filming sites and permits.



Hawaii Film Office, Online Film Permit Application (https://hfo.ehawaii.gov/film/p/welcome.html)

PROBLEMS ENCOUNTERED

DBEDT has encountered problems common to the implementation of most electronic solutions – e.g., software glitches, long-term hosting and maintenance, design, implementation, staff training – but has worked with its contractors and the Office of Information Management and Technology (OIMT) to resolve these issues. Ongoing support and leadership on the part of the regulatory agencies has been instrumental to the success of these tools.

Another problem can be the lack of publically available information or data for use in GIS and other permitting solutions. DBEDT has successfully mitigated this issue by developing partnerships with agencies that have this information, and sharing ownership of solutions developed. DBEDT very much appreciates the efforts of the many federal, state, and county agencies, and private sector partners, to support the development and use of these resources.

Finally, ongoing funding is needed to develop, host, maintain, and upgrade these resources to stay current with existing laws, policies, and procedures.

LEGISLATIVE ACTIONS NEEDED TO FURTHER IMPLEMENT HRS §201-61 to -65

DBEDT has not identified any specific legislation needed at this time to further implement HRS §201-61 to -65, however, DBEDT respectfully seeks continued support from the Hawaii State Legislature to continue the development and expansion of its permit facilitation resources.

CONCLUSION

DBEDT has done much to facilitate the permitting of projects and activities in Hawaii, and is pursuing specific initiatives identified to further support Hawaii's businesses without removing safeguards that protect Hawaii's people, environment, and protected resources. DBEDT seeks to balance technical, economic, environmental, and cultural considerations in pursuit of its mission to promote industry development and economic diversification in Hawaii.

Continued support from the Hawaii State Legislature is needed to maintain and build upon this service.