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Testimony of
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before the
SENATE COMMITTEE ON WAYS AND MEANS

Tuesday, February 22, 2022
10:00 AM

State Capitol, Conference Room 211 & Videoconference

**COMMENTS
SB 2483, SD1
RELATING TO ENERGY.**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee, the Hawai'i State Energy Office (HSEO) offers comments on SB 2483, SD1, which includes as an objective in energy-related planning for the State's facility systems that all new utility scale electricity generation projects be renewable; includes state policies that ensure short- and long-term provision of adequate, reasonably priced, and dependable renewable energy services, prioritizing the dispatch of renewable energy generation; updates the State's policies to ensure that all new utility scale electricity generation projects are renewable, prioritize renewable energy generation, and include the use of non-fossil fuel sources in the development or expansion of energy systems.

HSEO appreciates the background provided in Section 1 of the bill, regarding the importance of reducing carbon emissions and the intent to "ensure state policies that ensure short-and long-term provision of adequate, reasonably priced, and dependable" energy for Hawai'i.

HSEO has two primary concerns with the bill as written:

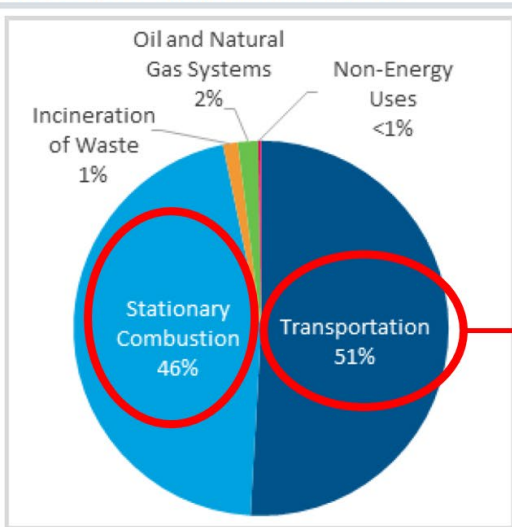
1. The change proposed on page 3, lines 17-19, narrows the scope of greenhouse gas emission avoidance from all energy sources to only avoiding emissions from the electricity sector.

- The change proposed on page 4, line 4 shifts the policy ensuring affordability and dependability from all energy sources, to, specifically, utility-scale renewable energy.

The first concern, regarding the change proposed to HRS 226-18(a)(4), relates to greenhouse gas emissions. As Section 1 of SB 2483 SD 1 notes, the State's zero emissions clean economy target is an economy-wide target. The most recent inventory of Hawai'i¹ indicated that stationary combustion (electricity production) accounts for almost half, and the transportation sector accounts for more than half, of the greenhouse gas emissions from Hawai'i's energy sector.

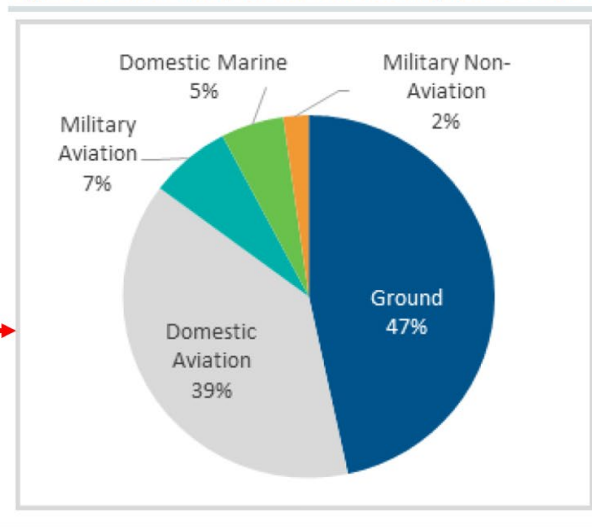
Department of Health Greenhouse Gas Inventory for Year 2017

Figure 3-2: 2017 Energy Emissions by Source



Electricity *almost half*
Transportation *over half*

Figure 3-6: 2017 Transportation Emissions by End-Use Sector



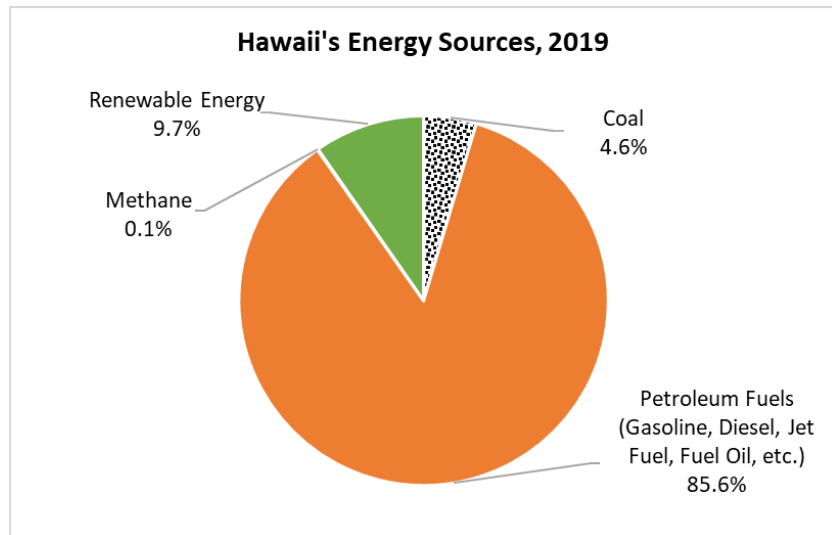
For this reason, it is important that policies addressing greenhouse gases are not inadvertently reduced in scope to focus only on the electricity sector. To avoid this situation, HSEO recommends that the proposed change to section 226-18, Hawai'i Revised Statutes (HRS), be re-phrased to have the proposed language be worded as an example, separated as a distinct enumerated item, or removed from the bill, so as

¹ State of Hawai'i. "[Hawai'i Greenhouse Gas Emissions Report for 2017](#)." April 2021.

not to narrow the scope of item (a)(4). Subparagraph (a)(4) of section 226-18, HRS, currently applies to all energy sectors. If subparagraph (a)(4) is modified as proposed by SB 2483, SD1, the scope of the objective would be narrowed from all energy to only the electricity sector.

The second concern, regarding the change proposed to Section 226-18(b), HRS, has to do with the importance of continued availability and affordability of Hawai'i's current energy supplies.

Hawai'i's current energy mix includes not only renewable energy but also a significant and important assortment of non-renewable resources. As shown in the graph, fossil fuels (coal, petroleum, and methane) currently provide over



90% of Hawai'i's energy needs, not only for electricity production, but also heating, cooking, as well as to propel vehicles, airplanes, and ships.

The availability, security, and affordability of all of Hawai'i's energy supplies are important to Hawai'i's residents and economy. Energy is a basic lifeline for all of the other lifeline services (food, water, transportation, communications, healthcare, etc.) in the state.

While Hawai'i transitions from dependence on fossil fuels (including gasoline, diesel, fuel oil, jet fuel, propane, natural gas, and others) to renewable alternatives, it is extremely important that all current energy supplies remain adequate, reasonably priced, and dependable. To avoid losing sight of the importance of current energy supplies, HSEO recommends that the proposed change to section 226-18(b) on page 4, line 4, be re-phrased or removed from the bill so as not to narrow the scope.

Subparagraph (b) of section 226-18, HRS, currently applies to all energy. However, if

subparagraph (b) is modified by adding “renewable,” the new language would narrow the focus; and, by doing so, imply a significant reduction in concern about the price, availability, and dependability of a large majority of Hawai'i's current and foreseeable energy supplies.

HSEO does not have concerns at this time with the other changes proposed by the bill. With the above recommended amendments, HSEO believes SB 2483 would be a welcome update to section 226-18, HRS.

HSEO defers to the appropriate agencies regarding Section 3 and the fiscal and administrative impacts of this measure.

HSEO's comments are guided by its mission to promote energy efficiency, renewable energy, and clean transportation to help achieve a resilient, clean energy, decarbonized economy.

Thank you for the opportunity to testify.