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Testimony of
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before the
**SENATE COMMITTEES ON
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM, and
WATER AND LAND**

Friday, February 11, 2022
3:10 PM
State Capitol, Conference Room 224 & Videoconference

**COMMENTS
SB 2510
RELATING TO RENEWABLE ENERGY.**

Chairs Wakai and Inouye, Vice Chairs Misalucha and Keith-Agaran, and Members of the Committees, the Hawai'i State Energy Office (HSEO) offers comments on SB 2510, which establishes firm renewable energy generation policy in the Hawaii State Planning Act to ensure the reliable one hundred per cent replacement of fossil fuel electricity generation to increase the sustainability and energy self-sufficiency of the State to improve the quality of life for residents and visitors. SB 2510 includes policy of incentives to facilitate and encourage fuel-producing crops and energy-producing crops and bioenergy and standards for achieving renewable portfolio standards.

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

Regarding SECTION 2 of the bill, HSEO is concerned that as written, establishing such constraints in statute may interfere with the development of an optimized system that balances energy security, grid reliability, and cost control based on available technologies, resources, and needs of Hawai'i's energy systems at the time.

Also, adding a step of revising a statute or adopting a concurrent resolution after receiving bids and before approving contracts could result in significant delays and uncertainties in energy projects of all types.

HSEO supports the addition of renewable energy to SECTION 3 of the bill relating to Section 226-10, Hawaii Revised Statutes (HRS), “Objective and policies for the economy-- potential growth and innovative activities”, SECTION 4 of the bill relating to HRS section 226-103, “Economic priority guidelines”, and SECTION 5 of the bill relating to HRS section 226-103(f), “Priority guidelines for energy use and development,” and HSEO recommends removing the term “firm” to read:

(5) Provide incentives to encourage the development of renewable energy to replace fossil fuel generation.

HSEO agrees that energy research, technologies, and innovation have great potential for development, application, economic diversification, and energy security for Hawai'i.

Regarding SECTION 6 of the bill, HSEO agrees that a coordinated approach to achieving Hawai'i's energy and decarbonization goals is appropriate. Previous comprehensive integrated planning efforts, including the [Energy Functional Plan](#) (1991), the [Hawaii Energy Strategy](#) (1992-1994), [Hawaii Energy Strategy Update](#) (2000), and the [Hawai'i Clean Energy Initiative](#) (2008-2010), are out of date. Current related planning efforts for specific parts of the energy sector (for example, power supply improvement plan, integrated grid planning, integrated resources planning effort of Hawai'i Gas, triennial plan of Hawai'i Energy) are in-depth efforts, that need to be included in the overall strategy.

As noted in the existing language of HRS Section 226-55(a), “The state agency head primarily responsible for a given functional area shall prepare and periodically update the functional plan for the area.” In the case of energy, the state agency head is the Chief Energy Officer, a new position created in 2019 pursuant to Act 122. HSEO is willing to lead the update to the state energy functional plan in close coordination with the Office of Planning and Sustainable Development and requests that any funds or reporting requirements provided by this measure support HSEO in fulfilling its responsibility under the Hawai'i State Planning Act.

HSEO observes the language in the proposed new paragraph (f), beginning on page 20, line 16, significantly changes the role of the office of planning and sustainable development.

HSEO recommends that this item be removed:

[(f) Any agency that does not comply with this plan shall gain approval by the office of planning and sustainable development. Any disputes shall be appealed to the governor.]

Regarding SECTION 7 of the bill, HSEO looks forward to working with HNEI on studies planned or conducted as part of this measure.

Thank you for the opportunity to testify.