



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
SENATE COMMITTEE ON WAYS AND MEANS

Thursday, March 23, 2023
10:00 AM
State Capitol, Conference Room 211 and Videoconference

In SUPPORT of
HB 300, HD1

RELATING TO THE STATE BUDGET.

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee, the Hawai'i State Energy Office (HSEO) supports the intent and offers comments on HB 300, HD1, which provides operating and capital improvement appropriations and authorizations for Executive Branch agencies and programs in Fiscal Biennium (FB) 2023-25.

HB 300, HD1, includes budget requests for the Hawai'i State Energy Office – BED120's which address HSEO's top priorities as the critical path to a resilient clean energy economy. HSEO requests the Committee's consideration for amending the following:

Adjustment: SEQ#213-001 ADD FUNDS FOR HAWAII STATE ENERGY OFFICE (\$1B/\$1B).

Impact Statement: The House FIN does not concur with \$1,150,000/\$1,150,000 (recurring) requested for cost match and working capital for federal grants and programs. This request is for an annual appropriation from the Energy Security Special Fund (ESSF). Lack of state funds for cost match and working capital would result in the loss of a FEMA subaward to complete an energy system and

critical infrastructure vulnerability and resiliency assessment for Kaua'i, Maui, and Hawai'i Counties. A similar assessment for O'ahu is underway because of ESSF appropriations in FY22/FY23 that provided the working capital necessary under an earlier FEMA subaward. \$450,000 is needed in FY24 to provide the working capital needed to conduct the assessments for the other counties. In addition, a formula grant to states for preventing outages and enhancing the resilience of the electric grid will provide \$6 million to Hawaii in the first 2 years of the program but must be matched by 15% of the amount of federal funds. This formula grant requires \$913,582 in cost match over FY24/FY25. Beyond these substantial grants currently in play which would be in jeopardy if the matching funds were not approved, HSEO is submitting three full applications in response to DE-FOA-0002740, titled BIL Grid Resilience and Innovation Partnerships (GRIP). Each project requires cost share of 50% of total project costs, some of which may be needed from the state.

Alternative Reduction: None.

To position HSEO and the State to compete against other states for its fair share of federal funds under Bipartisan Infrastructure Law and the Inflation Reduction Act, an ESSF appropriation, up to \$1.15 million each fiscal year, is needed for cost match/share and working capital to leverage federal and other resources.

Thank you for the opportunity to testify.