



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
**HOUSE COMMITTEES ON
ENERGY & ENVIRONMENTAL PROTECTION
AND
WATER & LAND**

Thursday, March 16, 2023
9:00 AM
State Capitol, Conference Room 325 and Videoconference

In SUPPORT of
SB 458, SD2

RELATING TO GEOTHERMAL ROYALTIES.

Chairs Lowen and Ichiyama, Vice Chairs Cochran and Poepoe, and Members of the Committees, the Hawai'i State Energy Office (HSEO) support SB 458, SD2. SB 458, SD2, deletes the establishment of new funding sources for, and authorized uses of moneys in, the University Innovation and Commercialization Initiative Special Fund; deletes the requirements that the Board of Land and Natural Resources, certain counties, and the Hawai'i Groundwater and Geothermal Resources Center (HGGRC) at the University of Hawai'i to submit annual reports to the Legislature; establishes a Renewable Energy Resources Development Special Fund (RERDSF) and the funding sources for, and authorized uses of moneys in, the RERDSF; requires the Department of Business, Economic Development, and Tourism to submit an annual report to the Legislature on the revenue and expenditures of the RERDSF; and, makes other amendments.

Geothermal exploration, performed in a responsible manner, is an essential part of Hawai'i's strategy for a diversified renewable energy portfolio and is necessary to fully understand the developable resource potential of geothermal energy on each Hawaiian island, including more non-invasive surface explorations and the need for new exploratory wells. Without a full understanding of the geothermal potential on each island, Hawai'i's energy stakeholders and affected communities will lack fundamental information on potential renewable energy resources to make fully informed decisions on how each island can best achieve 100% renewable energy generation by 2045.

HSEO has collaborated with HGGRC in the past and values HGGRC's experience and expertise in the field of geothermal exploration in Hawai'i. Should SB 458, SD2, pass, HSEO intends to direct any geothermal royalties deposited into the RERDSF per H.R.S. 182-7 to HGGRC to further the discovery and development of geothermal resources including exploratory wells. HSEO would support amendments to SB 458, SD2, to require all geothermal royalties deposited into the RERDSF per H.R.S. 182-7 to go to HGGRC for geothermal exploration and development.

HSEO also believes it is appropriate to use state funds to better understand Hawai'i's geothermal resource potential as geothermal resources are public trust resources with potential for community benefits, provided other state priorities are not impacted. Greater understanding of Hawai'i's geothermal resource potential reduces geothermal development risk which would be reflected in lower project financing costs that are passed on to ratepayers in the form of lower electricity rates.

HSEO supports efforts by HGGRC and other entities to seek federal and other funding for geothermal research and to engage with affected communities on the results

of such research and support associated geothermal development that is widely recognized to be in the public interest.

HSEO is not intimately familiar with how Hawai'i County uses the current revenues it receives from geothermal royalties and defers to the counties on the impacts of reducing the counties' share from 30% to 10%.

Thank you for the opportunity to testify.