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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Thursday, February 1, 2024
9:30 AM
State Capitol, Conference Room 325 and Videoconference

Providing Comments on
HB 2798

RELATING TO ENERGY.

Chair Lowen, Vice Chair Cochran, and Members of the Committee, the Hawai'i State Energy Office (HSEO) offers comments on HB 2798 that changes the definition of "power-generating facility" for the purposes of environmental impact assessments to include new combustion electricity-generating facilities operating beginning January 1, 2024, that were not previously operational and includes power-generating facilities that are converting from one source of energy to another source, where the new source requires combustion and the electrical output rating of the converted facility exceeds 5.0 megawatts.

HSEO is concerned that this measure would place an undue burden on power plant operations, repairs, or maintenance projects associated with existing structures, facilities, and equipment, some of which may currently be declared exempt from the environmental assessment or environmental impact in Hawai'i. HSEO is further concerned there could be unintended consequences from imposing this type of requirement without studying which units, or plans, might be affected, under what conditions, and what the impacts might be on reliability, resilience, and cost.

Many combustion electricity generation systems are designed intentionally to be adjustable and to be able to use a variety of fuels in case of fuel supply, cost issues, or

other factors, including contractual obligations. This measure could interfere with dual fuel strategies, especially those that replace fuel oil and petroleum-based diesel with lower-cost, cleaner, and locally-produced alternatives, potentially including renewable fuels, renewable natural gas, hydrogen, electrofuels, or ammonia. The impact that a new requirement such as this might have on those efforts should be considered, especially if the new requirements are not determined to materially contribute to the stated objective of the legislation (to continue protection of the State's natural resources and overall public health).

HSEO also notes that the bill lacks key definitions, such as what would constitute a "conversion" from one source of energy to another source, or how broadly the term "source" would be interpreted (for example, if replacing one liquid fuel with another liquid fuel would be considered changing the source of energy; likewise if one blend of gaseous fuel were replaced with another blend of gaseous fuel, or one type of solid fuel with another).

HSEO defers to the appropriate agencies regarding controls, permits, and safeguards that are in place, or not in place, for the operation of such facilities. HSEO also defers to the appropriate agencies regarding whether the proposed change to the law would contribute to the stated objective of the legislation (protection of the State's natural resources and overall public health, from page 1, lines 14-15).

Thank you for the opportunity to testify.