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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

Thursday, February 15, 2024
1:00 PM
State Capitol, Conference Room 229 & Videoconference

In Support of
SB 3195

RELATING TO RENEWABLE ENERGY.

Chair DeCoite, Vice Chair Wakai, and members of the Committee, the Hawai'i State Energy Office (HSEO) supports SB 3195, that would revise a section of Chapter 171 of the Hawaii Revised Statutes (HRS) having to do with the process for leasing of state lands. The proposed change would simplify the definition of "renewable energy producer" in HRS section 171-95 that authorizes the Board of Land and Natural Resources to perform certain transactions without public auction.

HSEO believes that (1) clarifying the definition would be helpful, and (2) the anticipated need for renewable energy extends beyond the electricity sector, since the state's decarbonization goals include the reduction in greenhouse gases from fuels used in the transportation sector, utility gas, and nonregulated fuel gases.

The statutory language, as it currently exists, is somewhat complex. The proposed revision, referencing HRS 269-91, provides welcome consistency between statutes.

The contents of the definitions are shown side-by-side in the table below for comparison.

HRS Section 171-95(c)	From HRS Section 269-91
<p>For the purposes of this section, "renewable energy producer" means:</p> <ol style="list-style-type: none"> (1) Any producer or developer of electrical or thermal energy produced by wind, solar energy, hydropower, geothermal resources, landfill gas, waste-to-energy, ocean thermal energy conversion, cold seawater, wave energy, biomass, including municipal solid waste, biofuels or fuels derived from organic sources, hydrogen fuels derived primarily from renewable energy, or fuel cells where the fuel is derived primarily from renewable sources that sell all of the net power produced from the demised premises to an electric utility company regulated under chapter 269 or that sells all of the thermal energy it produces to customers of district cooling systems; provided that up to twenty-five per cent of the power produced by a renewable energy producer and sold to the utility or to district cooling system customers may be derived from fossil fuels; or (2) Any grower or producer of plant or animal materials used primarily for the production of biofuels or other fuels; provided that nothing herein is intended to prevent the waste product or byproduct of the plant or animal material grown or produced for the production of biofuel, other fuels, electrical energy, or thermal energy, from being used for other useful purposes. 	<p>For the purposes of this part: "Renewable energy" means energy generated or produced using the following sources:</p> <ol style="list-style-type: none"> (1) Wind; (2) The sun; (3) Falling water; (4) Biogas, including landfill and sewage-based digester gas; (5) Geothermal; (6) Ocean water, currents, and waves, including ocean thermal energy conversion; (7) Biomass, including biomass crops, agricultural and animal residues and wastes, and municipal solid waste and other solid waste; (8) Biofuels; and (9) Hydrogen produced from renewable energy sources.

HSEO recommends a slight adjustment to ensure that district cooling and sea water air conditioning are able to continue as recognized technologies eligible for these provisions, consistent with [Act 205, Session Laws of Hawaii 2007](#). Using renewable resources to directly provide energy-efficient cooling (i.e. not having to be converted into electricity first and then into cooling) is a potentially powerful means of reducing energy imports and avoiding emissions. Since “sea-water air-conditioning district cooling” is recognized in HRS sections 269-91 and 269-96 as an efficiency technology, this change is consistent with the other reference to HRS section 269-91.

Since there are already two paragraphs, (1) and (2), a simple approach that would retain district cooling would be to add a third paragraph, as follows:

"(3) Any provider of district heating or cooling services utilizing renewable energy."

The paragraph would then (without Ramseyer marking) read as follows:

- (c) For the purposes of this section, "renewable energy producer" means:
- (1) Any producer or developer of renewable energy as defined in §269-91 that sell the net power produced from the demised premises; or
 - (2) Any grower or producer of plant or animal materials used primarily for the production of biofuels or other fuels; provided that nothing herein is intended to prevent the waste product or byproduct of the plant or animal material grown or produced for the production of biofuel, biogas, hydrogen, or other fuels from being used for other useful purposes; or
 - (3) Any provider of district heating or cooling services utilizing renewable energy.

HSEO defers to the appropriate agency on the administration of this measure.
Thank you for the opportunity to testify.