



# 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**

Wednesday, March 20, 2024  
10:00 AM  
State Capitol, Conference Room 211 and Videoconference

In Support of  
**HB 1800, HD1**

## **RELATING TO THE STATE BUDGET**

Chair Dela Cruz, Vice Chair Moriwaki, and members of the Committee, the Hawai'i State Energy Office (HSEO) supports the intent and offers comments on HB 1800, HD1, which adjusts and requests appropriations for fiscal biennium 2023-2025 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs.

The Hawai'i State Energy Office – BED120's fiscal year (FY) 25 supplemental budget requests address HSEO's top priorities as the critical path to a resilient clean energy economy. HSEO request the Committee's consideration for amending the following:

Adjustment: SEQ#101-001 – Personal Services for (1) Chief Energy Officer

**Impact Statement:** Act 122, SLH 2019 established that the Hawai'i State Energy Office be led by the Chief Energy Officer. To meet the intent of Act 122 shortly after passage, the Governor determined a salary amount for the position and DBEDT/HSEO redescribed one of its existing positions and varied the salary to carry out the Governor's intent. These necessary actions created a payroll deficit, which persists to date. The House FIN did not concur with \$97,098 in additional funds to cover the payroll shortfall to realign the

budget with actual costs and allow the program to utilize OCE funds to support critical operational expenses.

This in addition to the reduction in HSEO's operating budget in FY22 has had a significant impact on HSEO's general funds and its ability to fund regular operations. HSEO is no longer able to cover the payroll deficit without reducing other necessary operating expenses which will affect office efficiencies. Denying this increase to cover the payroll deficit will require the program to reduce other necessary operating expenses which will severely affect office efficiencies. The operating budget is \$158,933. Reducing this amount by the requested \$97K will leave the program only \$61k to operate. Funds are needed to pay for regular expenses needed for the office to operate efficiently. These expenses include software licenses such as MS office; research and reference subscriptions; and office equipment including computers.

Alternatively, if general funds are not available. We are prepared to offer Position Number 124091, \$98,654, Transportation Energy Specialist as a trade to fund the Chief Energy Officer position.

Adjustment: SEQ#100-001 Services on a fee basis (Ceiling increase)

**Impact Statement:** Lack of state funds for cost match and working capital could result in the delay or loss of this FEMA Subaward. The Advance Assistance 2.0 project will provide a comprehensive inventory and baseline assessment of major energy supply, distribution and demand networks for Maui, Kaua'i, and Hawai'i Counties. Lack of community lifeline energy security planning as an effective means to mitigate devastating energy-sector impacts on Maui, Hawai'i, and Kaua'i communities has potential for cascading impacts on the state resulting from natural and man-made disasters. The House FIN did not concur with special fund ceiling needed for cost match and working capital in the amount of \$700,000 to support two significant projects.

Current applications for other projects such as The Integrating Resilience Strategies for ZEV Infrastructure project which aims to enhance electric vehicle (EV) charging resiliency to support emergency response efforts and provide broader benefits to communities could be in jeopardy if matching funds and working capital were not

approved. HSEO is submitting various applications taking advantage of federal opportunities offering substantial funding to move forward with its top priorities. To position HSEO and the State to compete against other states for its fair share of federal funds, working capital is needed to leverage federal and other resources.

HSEO respectfully requests your favorable consideration of these requests.

Thank you for the opportunity to testify.