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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

Monday, March 11, 2024
1:00 p.m.
State Capitol, Conference Room 224 and Videoconference

In Support of
HB 2390, HD2

RELATING TO RENEWABLE ENERGY.

Chair Gabbard, Vice Chair Richards, and members of the Committee, the Hawai'i State Energy Office (HSEO) supports HB 2390, HD2, which amends Hawai'i Revised Statutes (HRS) §269-6 to clarify that the Public Utilities Commission (PUC) shall explicitly consider the effect of the State's reliance on fossil fuels on lifecycle greenhouse gas emissions and gives the PUC the discretion to require a lifecycle greenhouse gas emissions assessment for energy projects that do not involve the combustion of fuel.

HSEO's comments are guided by its mission to promote energy efficiency, renewable energy, and clean transportation to help achieve a resilient, clean energy, decarbonized economy pursuant to HRS §196-71 and HRS §196-72 and by findings and recommendations of the HSEO report, *Hawai'i Pathways to Decarbonization*, Act 238 Sessions Laws of Hawai'i - 2022.

HSEO supports the revised language of HB 2390, HD2; the clarifications and new language in HB 2390, HD2, amending HRS §269-6 removes the ambiguity currently in statute and ensures lifecycle analysis is appropriately considered for energy projects that involve the combustion of fuel. Furthermore, HSEO believes this bill would support more timely reviews of projects and may lead to reduced costs to ratepayers.

Lifecycle greenhouse gas analysis, also known as lifecycle assessment, quantifies or evaluates the environmental and climate warming impact of specific products or activities throughout their entire lifecycle – including extraction, distribution, use, and disposal.¹ Lifecycle assessment provides a framework for the PUC to consider the greenhouse gas implications of projects seeking PUC approval, facilitating informed decision-making and the PUC's requirement to protect the public interest.²

The bill's current revised language is consistent with findings and recommendations from the recent HSEO Act 238 Report, Chapter 5.³ The importance of considering lifecycle emissions is going to become more critical as more biofuel-powered projects and biofuel contracts come before the Commission. This is because the lifecycle carbon intensity for different biofuels is wide-ranging and is highly dependent on feedstock characteristics, fertilizer application, growth characteristics, and processing methods. Thus, the lifecycle GHG emissions from bioenergy may not always exhibit emissions lower than that of fossil fuel.⁴ Further, giving the PUC flexibility to require GHG analysis for non-combustion projects can lower the administrative burden for certain technologies, which do not have such wide-ranging lifecycle emissions.

Currently, the PUC is required to “consider the need to reduce the State's reliance on fossil fuels through energy efficiency and increased renewable energy generation in exercising its duties” and is required to “explicitly consider” greenhouse gas emissions when making determinations on the reasonableness of the costs pertaining to the electric or gas utility system (HRS §269-96). New language in the bill ensures that lifecycle emissions are appropriately considered.

Thank you for the opportunity to testify.

¹ Hawai'i State Energy Office (2023). Hawai'i Pathways to Decarbonization, Act 238 Report to the 2024 Hawai'i State Legislature (Act 238 Report). (Page 218)

² Supreme Court of the State of Hawai'i. (March 13, 2023) Appeal from the Public Utilities Commission (Docket 2017-0122). Opinion of the Court by Eddin's.

³ Act 238 Report (Pages 214-233)

⁴ Id (Pages 219-224)