



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

235 South Beretania Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone:
Web:

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARK B. GLICK
CHIEF ENERGY OFFICER

(808) 451-6648
energy.hawaii.gov

Testimony of
MARK B. GLICK, Chief Energy Officer

before the
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Tuesday, March 12, 2024
9:00 AM
State Capitol, Conference Room 325 and Videoconference

In Support of
SB 3195, SD2

RELATING TO RENEWABLE ENERGY.

Chair Lowen, Vice Chair Cochran, and members of the Committee, the Hawai'i State Energy Office (HSEO) supports SB 3195, SD2. This bill proposes to 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 in HRS section 171-95 would allow for producers of renewable fuels – including hydrogen, biofuel, bio-jet, and renewable natural gas, for example, which are important forms of energy for Hawai'i – to be included in the definition of “renewable energy producer” for the purposes of leasing of State land under the purview of the Board of Land and Natural Resources. This is a companion bill to HB 2020, which was passed by this committee with amendments.

The anticipated need for renewable energy extends beyond the electricity sector. The state's decarbonization goals include the reduction in greenhouse gas emissions from fuels used in the transportation sector, utility gas, and nonregulated fuel gases.

HSEO recommends that a statement be included in Section 1 of the bill that it is not the intent of this bill to address the regulation of public utilities or the topic of wheeling. HSEO also recommends that Section 1 of the bill, and the bill description, be

simplified so that the legislative intent may be clearer. Removing some references to electricity may avoid confusion over the primary focus on renewable fuels.

HSEO agrees that the use of the renewable energy definition from HRS section 269-91, as proposed by this bill, would provide consistency in terminology and policy.

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

HRS Section 171-95(c) (existing)	From HRS Section 269-91
<p>For the purposes of this section, "renewable energy producer" means:</p> <p>(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</p> <p>(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>	<p>For the purposes of this part: "Renewable energy" means energy generated or produced using the following sources:</p> <p>(1) Wind;</p> <p>(2) The sun;</p> <p>(3) Falling water;</p> <p>(4) Biogas, including landfill and sewage-based digester gas;</p> <p>(5) Geothermal;</p> <p>(6) Ocean water, currents, and waves, including ocean thermal energy conversion;</p> <p>(7) Biomass, including biomass crops, agricultural and animal residues and wastes, and municipal solid waste and other solid waste;</p> <p>(8) Biofuels; and</p> <p>(9) Hydrogen produced from renewable energy sources.</p>

HSEO defers to the appropriate agency on the administration of this measure.

Thank you for the opportunity to testify.

HSEO's suggested revisions to Section 1 of SB 3195, SD2

SECTION 1. The legislature finds that it has established goals for the State to achieve a one hundred per cent renewable energy portfolio standard by 2045, promote the use of renewable energy sources, reduce greenhouse gas emissions to at least fifty per cent below 2005 levels by 2030, and uphold the State's zero emissions clean economy target to sequester more atmospheric carbon and greenhouse gases than emitted within the State by no later than 2045.

The legislature also finds that greenhouse gas emissions are not just the result of electricity generation, but are also the result of transportation and ~~[aviation sectors, which utilize]~~ other uses of fossil fuels. ~~[Electric vehicle targets additionally have been undermined by the fact that electric vehicles are charged by the grid, which is powered by seventy per cent fossil fuels.]~~ With the advancement of various technologies, there are now more renewable fuel options available to ~~[help facilitate the replacement of]~~ replace fossil fuels and mitigate carbon emissions ~~[, including those produced by transportation and aviation]~~. These advancements include sustainable aviation fuels and hydrogen, which can help the State reach its renewable energy goals. However, with limited land, it is difficult to advance those policies. The legislature recognizes that the State has a role to play in continuing to support ~~[the achievement of its]~~ renewable energy ~~[targets]~~.

The legislature further finds that section 171-95, Hawaii Revised Statutes, enables the board of land and natural resources to assist in the State's achievement of its renewable ~~[electricity]~~ energy and emission reduction goals, by allowing the board to lease, ~~[public lands to renewable energy producers]~~ without public auction~~[.]~~, certain public lands to public

utilities and renewable energy producers. [~~The legislature finds, however,~~] However, the legislature finds that the definition of "renewable energy producer" [~~in this section includes a requirement that the renewable energy producer sell all of the net power produced from the demised premises to electric utility companies regulated under chapter 269, Hawaii Revised Statutes, which governs the Public Utilities Commission, and all of the thermal energy it produces to customers of district cooling systems. The legislature finds that the State's quest for renewable energy goes beyond electricity and electric utilities as users of renewable energy.~~

~~Accordingly, in furtherance of the State's renewable energy goals, the purpose of this Act is to amend the definition of "renewable energy producer" in section 171-95, Hawaii Revised Statutes, to:~~

~~(1) Incorporate the definition of "renewable energy" as defined in section 269-91, Hawaii Revised Statutes, relating to the States' renewable portfolio standards;~~

~~(2) Repeal the requirement that the renewable energy producer sell all of the net power produced from the demised public land to electric utility companies regulated under chapter 269, Hawaii Revised Statutes, and all of the thermal energy it produces to customers of district cooling systems; and~~

~~(3) Include any provider of district heating or cooling services utilizing renewable energy.] could be broadened to allow more public lands to be leased for the generation of more types of renewable energy.~~

Accordingly, the purpose of this Act is to broaden the definition of "renewable energy producer" that is used to determine the board of land and natural resources' disposition of public lands to renewable energy producers.

It is not the intent of this bill to address the regulation of public utilities or the topic of wheeling.