



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
Senate Committee on Higher Education  
and  
Senate Committee on Transportation and Energy  
March 21, 2017 at 2:10 p.m.  
by  
Kalbert K. Young  
Vice President for Budget and Finance/Chief Financial Officer  
University of Hawai'i System

### HB 848 HD2 – RELATING TO ENERGY MODERNIZATION AT THE UNIVERSITY OF HAWAII SYSTEM

Chairs Kahele and Inouye, Vice Chairs Kidani and Dela Cruz and members of the committees:

The University of Hawai'i (UH) supports HB 848 HD2, Relating to Energy Modernization at the University of Hawai'i. This piece of legislation will not only reduce the University's dependence on fossil fuel generation and decrease its energy costs, which will ultimately lessen the burden of using tuition and fees to pay for utilities but it will also emphasize the need to change the current mindset of using renewables as THE energy source rather an alternative.

The purpose of this bill is to encourage and facilitate the development and use of microgrids at the various campuses and facilities operated by the University of Hawai'i in such a manner as to expand access to locally generated renewable energy and advanced distributed energy resources, and to promote the efficient distribution of electricity to the State's residents and businesses. To this end, the measure seeks PUC oversight and authority over micro-grid related rates and charges that the electric utility may charge the University.

Currently, there is no PUC oversight of microgrids that require interface and cooperation with the public utility. This measure inserts PUC oversight and authority over microgrids managed by the University, which ensures review by an independent body.

In order to achieve UH's Net Zero Energy mandate (Act 99, Session Laws of Hawai'i 2015), the University will need to develop large-scale renewable energy projects that will benefit our students and the communities we serve, can help to increase the macro electric system grid's stability and resilience, and support the State in achieving its goal of 100% clean energy by 2045.

HB848 HD2 will improve UH's ability to execute on renewable energy projects at UH-West O'ahu and UH Hilo. UH spends as much as \$45 million each year for electrical

utilities alone – which is between 10-15% of all tuition paid by students. Reducing electrical costs would be significant to reducing the cost of education and significant progress towards achieving the Net Zero mandate.

This bill will encourage the facilitation, development and use of microgrids and renewable energy across the University System, as well as increase the options available to develop collaborative solutions to finance and develop large-scale renewable energy projects.

It also establishes initial parameters on the microgrid size and distance from the power source, striking a balance between the University's need to use renewable energy to help achieve net-zero energy and an allowable use of the electric utility's facilities.

Thank you for the opportunity to testify in support of the measure.