



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Commerce, Consumer Protection, and Health
and
Senate Committee on Ways and Means
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by
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HB 848 HD2 SD1 – RELATING TO ENERGY MODERNIZATION AT THE UNIVERSITY OF HAWAII SYSTEM

Chairs Baker and Tokuda, Vice Chairs Nishihara and Dela Cruz, and members of the committees:

The University of Hawai'i (UH) appreciates the intent of the current draft of HB 848 HD2 SD1, which requires UH to develop a microgrid plan for one demonstration project at any property owned, leased, or controlled by UH.

However, UH respectfully requests that the current draft of the bill be amended to reflect the content of HB 848 HD2, which is legislation that 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.

HB 848 HD2 would 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 would seek the Public Utilities Commission (PUC) oversight and authority over microgrid 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.

HB 848 HD2 would improve UH's ability to execute on renewable energy projects at UH-West O'ahu and UH Hilo. UH expends 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.

HB 848 HD2 would 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 would establish 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 and the University respectfully requests that the committee consider revising this measure to reflect the previous version of the bill as written in HB 848 HD2.