



UNIVERSITY OF HAWAI'I SYSTEM

TESTIMONY

HB 3222 HD1
RELATING TO ENERGY

Testimony Presented Before the
HOUSE COMMITTEE ON FINANCE

February 28, 2006

by

Dr. Richard Rocheleau
Director of the Hawaii Natural Energy Institute
University of Hawai'i at Mānoa

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Chair Takamine, Vice-Chair Kawakami, and Members of the Committee:

I am Dr. Richard Rocheleau, Director of the Hawaii Natural Energy Institute of the University of Hawai'i at Mānoa. As described in Section 1 of this Bill, HNEI has been very successful in building a world-class "Renewables to Hydrogen" program over the past 20 years. HNEI has developed strong partnerships with government and industry and has attracted several major federally-funded projects that are important to the state of Hawaii in developing its indigenous energy systems.

HNEI supports Part 1 of this Bill calling for the establishment of a Hawaii Renewable Hydrogen Program and a Hydrogen investment capital special fund. As we have testified in the hearing for HB2308HD1 and SB2271, the support provided for in Part I is critical if Hawaii wishes to remain competitive and attract the types of renewable and hydrogen development and deployment programs needed to move these technologies forward in this state. Several other states have established similar programs. Without the ability of funds for cost-share Hawaii groups cannot remain competitive in attracting federal dollars.

HNEI supports efforts to establish a demonstration project to use off-peak renewable resources in a distributed energy storage microgrid system. It is our understanding that NELHA currently has federal funds to assess their energy needs and to develop a preliminary design of a microgrid concept. HNEI has also assigned a portion of funding under its DOE Program, "Hawaii Hydrogen Center for the Development and Deployment of Distributed Energy Systems" to

assess the electrical and transportation infrastructure for the Big Island. This assessment will be conducted in collaboration with GE Global Research Corporation, DBEDT and critical stakeholders on the island. One of the purposes of this assessment is to identify optimal sites for the deployment and demonstration of storage and microgrid technologies in order to seek additional federal funds. HNEI believes that it is premature to direct these funds to a NELHA microgrid demonstration without completing these preliminary assessment and design efforts. Should the legislature desire, we would suggest that DBEDT be directed to participate in these assessments to insure that all potential opportunities for NELHA are identified for later consideration.

Thank you for the opportunity to testify