



UNIVERSITY OF HAWAI'I SYSTEM

Legislative Testimony

**Testimony Presented Before the
Senate Committee on Energy and Environment
And
Senate Committee on Education**

Thursday, March 15, 2007

2:45 p.m.

Conference Room 414
State Capitol
415 South Beretania Street
by

Dr. Richard Rocheleau

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HB1003 HD3 Relating to Energy

Chairs Menor and Sakamoto, Vice Chairs Hooser and Tokuda, and Members of the Committees:

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

HNEI is pleased to be able to testify in support of the intent of this bill, provided its passage does not replace or adversely impact priorities as indicated in our BOR Approved Executive Biennium Budget.

Part II of HB 1003 HD3 statutorily establishes the Hawaii Natural Energy Institute of the University of Hawai'i at Mānoa, defines its mission, and creates the energy systems development special fund for the development of renewable and end-use energy efficiency technologies including those that ameliorate peak problems.

Recently, with the major advances in renewable energy and end-use energy efficiency technologies that have occurred, it has become apparent that optimal incorporation of these technologies into the energy system requires appropriate integration of the various technologies, the grid and energy infrastructure, and policy. HNEI believes that implementation of the activities proposed in Part II of this legislation would foster the coordination and integration necessary to produce direct benefits to state taxpayers and the state's economy in general.

Under the proposed legislation, HNEI with input from its advisory council would identify a portfolio of programs designed to insure that technologies selected for funding are those most likely to get into the hands of state end users as quickly as possible. The cornerstones for selection will be use of the state's indigenous resources, clear financial benefits to end users, and benefits to the state's environment and economy by

reducing petroleum demand. By leveraging state, federal and private funding, this program would accelerate the commercialization of technologies most likely to impact Hawai'i's energy system. This approach to funding is also expected to foster the growth of state-based industries.

The development of these portfolios of programs will be closely linked to public policy decisions and various public policy instruments designed to enhance technology commercialization and benefits to the overall state environment and economy through reduced reliance on petroleum. To achieve this goal, HNEI must work closely with appropriate state agencies responsible for the development and implementation of these policies. HNEI has a record of working closely with DBEDT including a number of very successful implementation and validation projects. It is important that this already robust working relationship between DBEDT and HNEI be strengthened. While this legislation does provide for close coordination between the two organizations, HNEI is concerned that some duties assigned to HNEI under the current language may not be appropriate for HNEI or may overlap with existing duties and functions of the State Energy Resources Coordinator in DBEDT. DBEDT, in their testimony have suggested modest language changes which we feel better delineates the appropriate duties and functions for HNEI. We agree with those suggested modifications.

Since Hawai'i is a small state, it is very important that these funds be used to leverage collaborative funding from larger federal programs that are focused on similar technological solutions for petroleum reduction and increased energy efficiency. We believe that these state funds will serve as a magnet to attract additional monies and businesses to the state to resolve energy and environmental issues. By using the existing administrative infrastructure at DBEDT and the University of Hawai'i, this legislation provides a cost-effective mechanism to accelerate the development and acceptance of renewable and energy efficiency technologies in Hawai'i.

Thank you for the opportunity to testify in support of this legislation.