



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

**Testimony Presented Before the
Senate Committee on Economic Development and Taxation**
March 18, 2008 at 1:15 p.m.
Conference Room 224

Presented by
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HB 3444, HD2, SD1 – RELATING TO ENERGY

Chair Fukunaga, Vice Chair Espero, and Members of the Committee:

Thank you for the opportunity to testify today on HB 3444, HD2, SD1. I am Dr. Richard Rocheleau, Director of the Hawaii Natural Energy Institute (HNEI) of the University of Hawai'i at Mānoa. The University can only support the intent of the bill at this time because of our pressing priorities, such as our tremendous need for repairs and maintenance and health and safety issues, which are critical to our ability to perform our core mission for the State of Hawai'i. We are grateful for the Legislature's attention to these needs.

We recognize that you have many priorities and issues to weigh for the state, so the following substantive information on this program is provided to assist you in your decision-making process.

While I support the intent of all aspects of HB 3444, my comments below are specific to the portion of the fund intended for the Energy Systems Development Special Fund.

In 2007, this legislature passed ACT 253 (HB 1003) which established HNEI in statute and directed HNEI to work in coordination with state and federal agencies and private entities to undertake a number of activities including:

- Develop renewable sources of energy for power generation;
- Conduct research and development of renewable sources of energy;
- Demonstrate and deploy efficient energy end-use technologies including those that address peak electric demand issues;
- Aggressively seek matching funding from federal agencies and private entities for research and development and demonstration issues; and,
- Report annually to the legislature.

Act 253 also established the Energy Systems Special Fund to be administered by HNEI for the purpose of developing an integrated approach and portfolio management of renewable energy and energy efficiency technologies. The portfolio approach and oversight provided for in Act 253 was designed to ensure that technologies selected for funding were those most likely to reduce Hawai'i 's dependence on fossil fuels and move Hawai'i quickly toward energy self-sufficiency.

HB 3444, HD2, SD1 includes the assignment of a portion of the Energy Security Special Fund that will be used to fund the energy systems development special fund managed by the Hawaii Natural Energy Institute. As demonstrated in similar programs in other states, funding of the Energy Systems Special Fund can be expected to leverage federal and private investments to accelerate acceptance and deployment of critically needed emerging technologies in both renewable energy generation and energy efficiency benefiting all stakeholders. Used in support of the recently announced Hawaii Clean Energy Initiative, a partnership between the state of Hawai'i and the US Department of Energy, it is reasonable to expect significant leveraging of federal and state investment in Hawai'i.

Thank you for the opportunity to testify in support of the intent of HB 3444, HD2, SD1. We appreciate all interest in the University, and want to emphasize that we will be able to perform better in all arenas and best serve the state with support of the current campus priorities approved by the Board of Regents.