

Hawaii Energy Forum Meeting

Hawai'i Energy Forum
December 16, 2003

Attendance

Forum members:

Steve Alber (for Maurice Kaya), Catherine Awakuni (for Carlito Caliboso), Paul Cannizzo, Albert Chee, Steve Golden, Steve Holmes, Cheryl Kikuta, Kal Kobayashi, Brenner Munger, Richard Paglinawan, Rick Reed, Glenn Sato, David Waller, Eileen Yoshinaka

Guests:

Warren Bollmeier, Dean Nishina

Project team:

Michael Hamnett, Sharon Miyashiro, John Harrison, Sam Pintz, Regina Gregory, Irene Takata

I. Review results of the Summit

Mike Hamnett led the group in reviewing the recommendations from Summit breakout sessions. Below are the major recommendations from each session and brief summary of Forum discussion that followed.

A. Regulatory reform

1) Critical actions identified at the Summit:

- Increase resources for regulatory agencies
- Improve access to information
- Use integrated resources planning (IRP) as a regulatory tool

2) Forum Discussion:

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- “Increasing resources” for regulatory agencies was considered to simplistic and should more specific. For example, there are questions of staffing/job functions, reorganization, processes/procedures, interaction with other agencies, and also the question of what the resources will be used for. It was recommended that we be more specific about what we want the agencies to do, as “more regulation” is not necessarily the goal. Perhaps it is “capacity for better decisions.”
- There was no consensus to accept all the specific recommendations in Carl Freedman’s report.
- It was noted that IRP is already a regulatory tool.

B. Efficiency

1) Critical actions identified at the Summit:

- Public education, awareness, work force development and demo sites
- Decoupling utilities sales & profit
- Feebates for vehicles
- Rate and fee reform to motivate efficiency and load management
- Public Benefits Charge to fund conservation

2) Forum Discussion:

- There are different strategies for efficiency in transportation and in electricity. However, refineries are affected by both in Hawai’i; transportation and electricity cannot be decoupled so easily as on the mainland.
- It was not clear who should do the public education, perhaps something similar to the Clean Cities program. The regulated utilities plan to continue their efforts and DBEDT has a mandate for public education and awareness, and the Forum should ask DBEDT to increase their efforts in this area.

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- Legislature is already working on the feebates idea, and that the car dealers association will likely oppose it. However, there was general agreement that this should be pursued.
- As to electricity rate and fee reform, PUC dockets might be appropriate.
- The Energy Efficiency Task Force had studied the System Benefit Charge option, and might be able to comment on it. The System Benefit Charge was a close second to the favored strategy of tax credits in the Task Force's final findings. Questions were raised as to how this charge is different from the current IRP line item on people's electric bills. And where should the money go? Also, it was noted that this may be similar to the "Btu tax"—which would be levied on all forms of energy—being considered by the Legislature.
- It was agreed that Model Energy Codes should be added to the list—perhaps "Encourage county governments to look at Model Energy Codes."

C. Social and Cultural Issues

1) Critical actions identified at the Summit:

- Assess energy options for impact on low income & seniors.
- Engage Hawaiian practitioners, values, concepts, and critical island thinking at ALL levels of discussion about Hawaii's energy future.

2) Forum Discussion:

- The Cultural Issues Working Group is planning an ongoing educational program and a survey to get people's input.
- We might want to add studying the issue of siting, or creation of a siting council for energy facilities. Perhaps we should say "environmental justice" is a priority? Is this an IRP issue, since the PUC oversees siting? We already have public review processes, maybe we should recommend "programmatic" environmental impact assessments for IRPs. Our working group on

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community impacts is looking at the environmental justice issues and will have something by mid-January.

D. Renewable Energy

1) Critical actions identified at the Summit:

- Make the state a research & development (R&D) center
- Utilize waste for energy
- Consider ocean thermal energy conversion (OTEC)
- Incentives for Renewable Portfolio Standards (RPS)
- System Benefit Fund for renewables

2) Forum Discussion:

- Under research & development, it was suggested we might want to specifically mention biofuels and biomass, as well as research on the firming of intermittent resources.
- We should recommend that the counties look into utilizing waste for energy. It was noted that waste-to-energy discourages recycling and pollutes the environment. However, new technologies (other than mass burning) exist which are much cleaner. The City & County of Honolulu is moving ahead with a wastewater-to-energy project.
- For OTEC, it was generally agreed the wording should say “monitor developments” in this technology.
- The System Benefit Fund was already discussed under efficiency above, and probably need not be repeated here.
- It was noted that 1-3 years is probably the amount of time it would take to draft a comprehensive implementation plan. We need to revisit the renewables study and the recommendations in it.

E. Hydrocarbon Options

1) Critical actions identified at the Summit:

- Create a balanced consortium that leads to an optimal energy strategy that is PONO
- Develop a comprehensive true cost study
- Articulate energy strategies that maximize productive outcomes

2) Forum Discussion:

- It was noted that the “balanced consortium” recommended is similar to the Energy Forum itself. There was general agreement that the Forum should be continued.
- For the true cost study, the military should be excluded in a statewide study, and reference should be made to HECO’s externalities workbook. Probably transportation should be included as well.

II. Follow-on activities/Strategy document

- It was suggested that the Forum produce and distribute a “synthesis” work of about 50 pages, which details our “preferred future,” etc. We do have a funding problem, however, it was agreed that Mike Hamnett and Sam Pintz will draft a strategy document of about 10-20 pages, with an emphasis on interrelatedness and trade-offs, and circulate it for feedback and hopefully consensus.
- The Forum should seek more funding should be sought, especially since we did not complete Phase II of the renewables study.
- Forum members will take the lessons learned from the Summit back to their respective organizations.