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Senator Gabbard's Closing Remarks at the Hawai'i Energy Policy Forum Legislation Briefing, January 10th

Aloha and Happy New Year to you and your ohana! Mahalo nui to Sharon Moriwaki, Mike Hamnet, and the whole Hawai'i Energy Policy Forum team for putting together this Legislative Briefing and all the important public outreach they've done with the TV shows. Also, a big mahalo to all of today's speakers who shared their expert opinions on our energy future.

As the Legislative Session opens next Wednesday, it's important to reflect on what has taken place recently on the energy front in Hawai'i. Of course, the biggest news has been the passing of our beloved Senator Dan Inouye, who was a tremendous advocate for the Hawai'i Clean Energy Initiative. Because of his efforts with our congressional delegation and the President, the total U.S. Department of Energy investment between fiscal years 2008 and 2012 for Hawai'i was more than \$175 million. With the huge loss of Senator Inouye, it's heartening to know that our new senior Senator Brian Schatz is also a big advocate for clean energy having been the Governor's point man on the issue during his service as Lieutenant Governor. We'll also be represented ably by our other new U.S. Senator Mazie Hirono and current Congresswoman Colleen Hanabusa. Additionally, we have my daughter, Congresswoman Tulsi Gabbard, who I can assure you will be a champion for clean energy... (She better be or else...)

We did close the year with several positive announcements for our transition to a clean energy economy: Big Island Biodiesel sent its first shipment of fuel to the Hawai'i Fueling Network on the Big Island; Sempra's 21 MW wind farm with a 10 MW battery at Ulupalakua Ranch on Maui came online; a 6 MW solar farm at Port Allen, Kaua'i became the state's largest PV solar farm and also has a 3 MW battery system. The Kaua'i project helps KIUC stay on track to be the utility with the highest percentage of solar energy on the grid in the nation by 2015.

As we look to the 2013 session, I know that Tesoro's announcement sent us a very powerful message for the need to diversify Hawaii's energy market and make us more energy self-sufficient.

First, our biggest priority will be fixing the renewable energy tax credit. There has been talk of the tax credit having a \$174 million impact on state revenue. What's failed to be mentioned in the media is that this \$174 million amount is based on PV permits issued and not on actual projects. We have to be clear that at this point-the Department of Taxation doesn't really know the real numbers and that doesn't bode well for our ability to set good policy.

Over the last several months, I brought together stakeholders from the solar & wind industries, economists, investors, other legislators, and state agencies with the goal of coming up with a workable solution. I'll be putting forth legislation, probably several bills, this session based on the input we got from the working group because it's critical that we balance both the need to protect state revenue without pulling the rug out from under the solar industry which now accounts for 9,000 jobs statewide. We also do not want to put solar out of reach for homeowners and businesses.

Many of you know that the PUC just released a consultant's report aimed at designing an on-bill financing program. I'm very happy the report concluded that there are several reasons that an on-bill financing program will be effective for Hawai'i, including high energy costs, the ability of on-bill programs to serve renters, and the opportunity to promote capital intensive solar technologies.

The state also continues its leadership in the introduction of electric vehicles with 1,098 registrations as of Nov 2012 - making us 10th in the nation in EV registrations. We're also currently the nation's leader for public EV charging stations on a per capita basis.

In energy efficiency, I've been very encouraged by the lead-by example efforts of our state, as we are 1st in the nation for investment in energy savings performance contracting. This is huge in our efforts to increase energy efficiency and why I felt it was important to head up the Capitol Energy Challenge which has pitted 10 buildings in the Capitol District against one another to see which building lowered its electricity bill the most for the last year. I'll be honoring the Green Champions and the winning building for their efforts with a presentation in the Senate Chambers in February.

To wrap it up, call me a dreamer, but I for one am crossing my fingers that before too long the "game changer" will finally come to fruition-whether it's OTEC, wave, or a revolutionary energy storage system or a very interesting project like a recent one I heard about involving wind energy 15 miles offshore of O'ahu. But I guess I'll have to leave that up to all you engineers and entrepreneurs to make this happen. I want you to know my door is always open to help you in any way I can. As we ramp up to the legislative session, I ask for your continued input and involvement in keeping us on task to reach our clean energy goals. Laulima...many hands working together in cooperation and harmony...Let's do this. Mahalo and Imua.