

Hawaii Energy Forum Meeting

January 27, 2006 Meeting

HECO Auditorium

10am – 1pm

Summary Notes

In Attendance:

Members:

Robbie Alm, Warren Bollmeier, Carlito Caliboso, Nicholas Schiavo, Catherine Awakuni (PUC), John Cole, Natalie Mims (RMI), Mitch Ewan, Carl Freedman, Steve Golden, Mike Hamnett, John Harrison, Paula Helfrich, Shad Kane, Maurice Kaya, Bruce Miller, Sharon Miyashiro, Rick Reed, Peter Rosegg, Riley Saito, William Kaneko. Guests: Linda Smith (Governor's Senior Policy Advisor), John Tantlinger (DBEDT), Dave Waller (HECO), Mike Fitzgerald (Enterprise Honolulu).

Presentation of the Administration package: HB 2308/ SB 2271

1. Linda Smith and Maurice Kaya presented the Administration's omnibus bill (discussion is based on SB 2271, which was shared in hard copy). Some highlights of the Administration's position as reflected in the bill:
 - Bill meant to be a comprehensive, integrated approach., It was meant to be bold and dramatic.
It is recognized that some portions will not be embraced by everyone. Meant to be a long-term, market-driven action plan and see the Forum as important to moving it forward.
 - It is an opportunity to make Hawaii a leader in energy and is therefore important to both the State of Hawaii and to the US.
 - Gasoline pricing issues – intent is to move the discussion away from just price controls and focus on a long-term strategy.
 - The near-term strategy is to focus on efficiency as we transition to the long-term (visionary piece).

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- Re: Act 95 – definition is amended to provide incentives for renewables only
 - Re: Transportation Fuels – enact a renewable fuels standard based on biodiesel and ethanol.
 - Provides resources to DLNR to perform a resource assessment.
 - Renewables to Hydrogen – State can have a role to play. Focus on a competitive niche for Hawaii which is renewables to hydrogen.
Electricity Piece – Address impediments in the current RPS legislation. To address the fuel adjustment charge to challenge the status quo.
 - DSM – How do we collect and distribute DSM \$? Need to spend more \$ on efficiency investments.
 - Act 77 – major portions were deleted because they were unworkable or not achievable. There is no baseline data. Therefore this bill takes the intent of Act 77 and recharacterizes it so state agencies can make substantive progress.
 - Performance Contracting – Has not been fully embraced by state agencies. Savings can be retained by the agency which should revitalize this program
 - Power to Convene– The Governor can bring together the right parties at the to coordinate decision makers and stakeholders and can bring Administration agencies so Smith encouraged Forum to bring issues that need followup to her attention.
2. Clarification of the provisions: DBEDT response to Forum member questions to clarify the provisions of the bill:
- RPS re: “renewable energy” definition (see Section 41, p 103) in RPS— bill deletes current definition that includes electricity sales generated or displaced by qualifying renewables. Definition is limited to energy production by classical renewables.
 - Public benefits fee (see section 37 on p 96)

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- Public benefits fund administrator (see section 38 on p 97) – intended to be a 3d party entity for PUC to select to manage the fund; and that a cap be placed for cost of administering the fund
 - Ethanol/biodiesel research – DBEDT is seeking to broaden its assessment
3. Natalie Mims, RMI, introduced the chart she designed to compare the provisions of the bill with the HEPF 10 Point Plan.
- Add to the chart the following: Section 45 (p. 110) on methodology to establish longterm fixed price for renewables and Section 47(f)
 - DG re: tax deduction for renewables (see section section 35(c) on p 93).

House/Senate Majority Package: HB 2175/SB 2957

1. Hard copies of HB 2175 were shared and used in the discussion of provisions.
2. While the Gas Company supported the “pay as you save” proposal as an incentive for using renewable energy, it was concerned about the impacts resulting from the recovery of the costs for a billing and payment system.

HEPF Package:

Bills drafted from the proposals earlier developed were identified. See attached list of bills. Working Group Chairs will review the bills in their respective areas. Any errors or problems will be identified and circulated by email.

Process for vetting legislative proposals:

1. There are at least 80 energy related bills that have been introduced.
2. Bills drafted for the various HEPF proposals were introduced (see attached) and are to be reviewed by the respective Working Group Chairs.

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3. The Administration's package and the Majority/Minority Leg package will be reviewed. Any other bills that forward the 10 Point Plan will be added based on the discussion and decision by the Working Groups.
4. The Forum package of bills that was approved will be supported by Forum members through testimony presented on behalf of members' own organization and as a member of the Forum (the latter will be effective in demonstrating the consensus obtained on that issue/proposal).
5. Vetting will be conducted on the legislative website: <http://www.hepf.org>.
6. Members will be informed by email of a proposal(s) to be vetted and linked to the <hepf.org> website where they will find the bill and all comments by other members.
7. Members are to indicate their position on the bill (or in the case of the Administration and Majority packages, provisions within the bill) in terms of one of the following, including comments in the text box:
 - Agree with the concept and language in entirety
 - Agree with the suggested amendment (provide amendment language)
 - Disagree but can live with the proposal
 - Oppose and include why opposed in comments section
 - Abstain; no position
8. Working Group Chairs will review all comments and will contact those members who disagree or provide comments and suggestions before identifying position and testimony for the bill.
9. Working Group Chairs will strive for consensus language, ie. no opposition, before taking a bill forward as being supported by the Forum, and with appropriate testimony.
10. WG Chairs will draft testimony and will share with WG members. WG members who have concerns are to contact the WG Chair(s) immediately. Thereafter, testimonies will be posted on the legislative website for other members to view and use.

Testifying before the Legislature

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1. Members will testify on behalf of their organizations and also indicate that they are a member of the Forum that also supports the bill (for those bills supported by the Forum).
2. Who speaks for the Forum?
 - Working Group Chairs will draft testimony and testify on the bills supported by the Forum.
 - When all members agree on a bill, members should testify on behalf of their own organizations as well as to indicate that the Forum supports.
 - When WG Chairs are not available to testify Forum Co-chairs (Mike or Sharon) can testify on behalf of the Forum and ask other members to provide more specific information as requested by the legislators.

Legislative website use:

1. The legislative proposals will be posted on the “legislative website” created primarily for informing members about bills we have determined that we will vet and/or support: <http://www.hepf.org>.
2. Only Forum members will have access to the site, used primarily for obtaining information on bills and for vetting proposals.

Next meeting: Tuesday, February 21, 2005

12:00 noon – 3:00pm

HECO Auditorium (900 Richards)

On the agenda will be a status update of the bills by Rep Morita and Sen English (if they are available) and strategy and next steps.

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