

## Hawaii Energy Forum Meeting

October 25, 2006

State Capitol – Conference Room 309

Wednesday October 25, 2006

10:00am – 2:00 pm

### **Agenda**

10:00 am - Introductions & Announcements

10:05 am - On the Honolulu Seawater Air Conditioning (HSWAC)

- David Rezachek, HWAC

10:35 am - Assessment of the Chicago Climate Exchange

- Lorenz Maggaard, UHM International Center for Climate & Society

11:05 am - Hawaii Energy Strategy & HCR 195 findings and discussion

- Kyle Datta, Rocky Mountain Institute
- Lena Hansen, Rocky Mountain Institute

12:05 pm - Lunch Break – Working Lunch

12:15 pm - Continue discussion on reports

1:00 pm - Reports from the Working Groups—Updates

- Terms of Collaboration Committee – Al Chee
- Renewables – Mitch Ewan/Warren Bollmeier
- Energy Efficiency – Darren Kimura/Stephen Meder
- Regulatory Reform – Carl Freedman
- Hydrocarbons Future – Al Chee/Steve Golden
- Cultural & Social Impact – Shad Kane/ Paula Helfrich/ Mark Glick

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2:00 pm – Adjourn

Next Meeting – December 6, 2006

### **Summary Notes**

#### **In attendance:**

#### **Forum Members:**

Robbie Alm, HECO; Bob Arrigoni, HI County, Res. & Development;  
Warren Bollmeier, HREA; Kyle Datta, RMI; Jeff Deren, KIUC; Sharon Lum Ho for  
Senator Kalani English; Mitch Ewan, UH HNEI; Carl Freedman; Mark Glick, OHA;  
Steve Golden, The Gas Company; Paula Helfrich, EDAH; Maurice Kaya, DBEDT;  
Darren Kimura, Energy Industries; Allyn Lee, C&C of Honolulu; Kim Suman (for  
Stephen Meder, AIA Honolulu); Sharon Miyashiro, UH Public Policy Center; Rep.  
Hermina Morita; Steve Teves for Melissa Pavlicek, WSPA; Peter Rosegg, HECO; Riley  
Saito, PowerLight Corp.; Glen Sato, Kauai County; Lance Tanaka, Tesoro; Bill Short,  
BIA-Hawaii.

#### **Guests/Visitors:**

David Rezachek, HSWAC; Lorenz Maggaard & Craig Coleman, International Center for  
Climate and Society, UHM; Steve Alber, DBEDT; Bill Parks, USDOE; Lena Hansen,  
Lionel Bony, Laura Schewel, Kitty Wang, Virginia Lacy, Natalie Mims, RMI; Tim  
Blume, KIUC; Matthew Coke, LRB; Bob Schleser, Clear Fuels; Bernie Bernstein.

#### **HEPF:**

Lena Gan, HEPF Assistant; Diane Sakai, Public Policy Center.

#### **Introductions:**

Lance Tanaka, Manager of Governmental Relations, will be replacing Susan Shintani  
as Tesoro's representative.

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**Presentations:**

**Seawater Air Conditioning (SWAC) technology**

Dr. David Rezachek, Honolulu Seawater Air Conditioning (HSWAC), provided information on the SWAC technology and benefits and HSWAC's plans. His powerpoint presentation is on the HEPF website <[www.hawaiienergypolicy.hawaii.edu](http://www.hawaiienergypolicy.hawaii.edu)>. Dr. Rezachek requested HEPF support on the following: a) incorporate HWAC's initiatives in state energy planning in conjunction with analyzing if there is an impact on state energy policy; b) assist in public education efforts to promote SWAC technology; c) support for HSWAC's plan to raise revenue bonds, d) obtain assistance with easement; e) use SWAC technology in non-exclusive franchises; and f) obtain priority processing of state permits (currently, the state offers priority processing for alternative energy projects but SWAC has not experienced this to-date).

**Chicago Climate Exchange**

Dr. Lorenz Magaard and Craig Coleman, International Center for Climate and Society (ICCS), School of Ocean Earth Sciences & Technology, University of Hawaii at Manoa, presented their preliminary findings. The powerpoint presentation is on the HEPF website. In response to the Legislature's request, the HEPF commissioned Dr. Magaard to assess whether the State should join the Chicago Climate Exchange (CCX) as a means to promote development of renewable energy sources (RE). Dr. Magaard requested input on the preliminary findings and recommendations. The following were comments by members for consideration in the final report:

a) Should the State join the CCX, it will not be able to count the carbon trading for RPS purposes in meeting the renewable energy goals. Would HI lose incentives for alternative energy? Does HI become a broker or a player? Can we separate the emissions part of the RE count for RPS purposes? Comment: While the State as a member would be able to count the RE credits traded, this would not preclude other

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sectors to do so. ICCS should separate State as a member of CCX vs. creating state policy that would apply to all residents. Can the State adopt a cap and trade system and use all of State's emissions in a State trade?

b) Assess CCX and how the market would work in Hawaii. Does HI have a ready market for this? Will it produce revenues for RE providers? How will the market work with the Neighbor Island production of RE?

- How will the emissions from air transportation be incorporated? How do you verify where the CO2 emission is coming from? For example foreign airlines jet engines: how do you account for this?
- Verification process. Measuring "metric ton" (measurements are not universal in the various initiatives)- CCX establishes its own standards of metric ton that is "closed" (not shared to outside).
- Suggestion include doing a baseline study and see how it could be subsequently reduced
- There is a need to understand all other options and markets apart from just the CCX

Members were asked to provide any further input by emailing [sharonmi@hawaii.edu](mailto:sharonmi@hawaii.edu) or posting on the [www.hepf.org](http://www.hepf.org). The report will be submitted to the upcoming Legislature so your comments should be sent as soon as possible but no later than November 10 so they can be addressed and incorporated in the final report to the Legislature.

### **Hawaii Energy Strategy 2006 ("HES")**

Kyle Datta, Rocky Mountain Institute ("RMI") presented the preliminary findings. The PowerPoint presentation will be on the HEPF website and the DBEDT

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website. Kyle asked for comments on this analysis phase of the HES. The following comments were raised:

- Look at carbon tax adders;
- How can we maintain the investment climate? What policies/costs needed for cyclical scenario?
- What macroeconomic model is being used for the scenario building? What are the limitations of the model?

Policy scenarios will be developed based on the findings. Input should be sent as soon as possible to [kdatta@rmi.org](mailto:kdatta@rmi.org) as the findings will be assessed in the development of the policy scenarios. The policy scenarios will be completed by December. Kyle will present the policy scenarios at the next Forum meeting on December 6.

- **Preliminary Report for HCR 195 relating to study of fuel crops for generating electricity.** Lena Hansen, RMI, presented preliminary findings for the report. The PowerPoint presentation will be on the HEPF website [www.hawaiienergypolicy.hawaii.edu](http://www.hawaiienergypolicy.hawaii.edu) and also as a document on our vetting website [www.hepf.org](http://www.hepf.org). Members made the following comments for RMI follow-up. Members are encouraged to review the presentation and provide input by November 1 via email to [sharonmi@hawaii.edu](mailto:sharonmi@hawaii.edu) or at our vetting website.
- RE: grant information – add the agencies/units within the USDOE and the funding cycle and deadlines for each if available
- Include some basic information such as how many gallons of water are needed to produce a gallon of ethanol? What about biodiesel?
- Provide more data on the irrigation systems and costs to upgrade. Provide costs and priorities, e.g. Systems that are close to the feedstock production

### **Working Group Reports:**

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- **Renewable Energy WG.**
  - HEPF is co-sponsoring the Hawaii Bioenergy Workshop on October 27, 2006, an all-day workshop to inform stakeholders about recent legislation, incentives and funding opportunities, increase collaboration among the various stakeholders to encourage bioenergy crop production. Other co-sponsors are DBEDT, USDoA-Rural Development, CTAHR-UHM; HNEI-UH; and HECO.
- **Energy Efficiency WG**
  - Working with the School of Architecture students regarding energy efficiency project(s) at UH Manoa campus
  - Met with DBEDT—plans for energy efficiency in public buildings will be presented in December 2006
  - Energy by Example project is in process. Energy audits are being conducted at Farrington High School, State Capitol, and UH Manoa.
  - Working on transportation committee to examine the Feebate bill again.
- **Regulatory Reform WG**
  - Looking at revitalization (vs. reform) of the regulatory agencies
  - DCA is understaffed.
- **Hydrocarbon Future WG**
  - Asks that the HEPF be fully engaged in the HES efforts and provide necessary support and input
  - Working with HNEI on Section 355 of the National Energy Policy Act.
- **Cultural Impact WG**
  - Working on ahupua'a mapping
  - Community cleanup of Nanakuli Stream
  - Remodeling of the PV roof for Nanakuli school campus (working with EEWG)
  - Working with Kukui Council on the Waianae Coast re: new energy siting.
  - More information to be provided at the next meeting

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- **Communication and Outreach Plan.**
  - Working to support the 10/27/06 Hawaii Bioenergy Workshop
- **Terms of Collaboration Committee.**
  - No report. Committee was asked to meet and present report at the next meeting on December 6, 2006.

**Next Meeting: December 6 2006 -10am-2pm -- at the State Capitol Room 309**

Tentative agenda items: Final Report on the Chicago Climate Exchange study for adoption; Final Report on HCR 195 for adoption; Policy Scenarios on the Hawaii Energy Strategy by RMI; Report on Terms of Collaboration and clarification of procedures for vetting legislative proposals; Working Group Reports.

**Please email other items no later than November 22.**