

Hawaii Energy Forum Meeting

General Membership Meeting

State of Hawaii Capitol Building

Meeting Room #325

January 22, 2009

11:00 am – 12:30 pm

In Attendance

Members:

Steve Rymsha, KIUC; Madeleine Austin, World Business Academy; Mark Glick, OHA; Betsy Cole, Kohala Center; Tim O'Connell, USDA; Darren Kimura, Sopogy; Bill Kaneko, HIPA; Mike Hamnett, RCUH; Carl Freedman, Haiku Design & Analysis; Joelle Simonpietri, Simonpietri Enterprises, Sharon Miyashiro, PPC; Glenn Sato, Kauai County; Mitch Ewan, HNEI; Rick Rocheleau, HNEI; Melissa Pavlicek, WSPA; Lynne Ebisui, Gas Co.; Rep. Hermina Morita.

Guests:

Jody Allione, UPC Solar; Priscilla Thompson, HNEI.

Staff:

Corrin Cunningham, Chelsea Phlegar

Introduction & Announcements

Bill Kaneko and Kanani Akina-Lee (Alston Hunt) will be tracking legislation for the Forum.

HEPF Legislative Agenda and Vetting Process (Sharon Miyashiro & Mike Hamnett)

- Steering Committee will meet next week on HCEI bill
- Vetting coding system: A (actively support) B (monitor) C (actively oppose)
 - If there's real concern or opposition, need to know ASAP because we do judge silence as consensus.

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- If there's something that can remedy the concern, or if you have alternatives/options that would really help move the process along.
- Whatever testimony goes forward by the Chairs is based on your input, so it's critical that you vet.
- The Steering Committee is meeting on Friday the 30th at 10 am to discuss legislation. Once they look at the bills, they will get them out to you.
- Bill and Kanani will be in charge of the legislative vetting and will be keeping you informed of what's going on; If they miss a bill or a hearing, please let them know.
 - Will send updates before every relevant deadline
 - Will be using the same process that Susan Char did
 - Please let Bill/Kanani know about any process concerns
- It's the job of working group chairs to figure out who on the Forum will have the most problem with things and call them. We don't want to have problems with some things sliding by without being noticed that are still problematic.
- Forum testimony represents the Forum's consensus and is based on member input.
 - Working group chairs are responsible for ironing out any issues
 - Testimony is usually not vetted (with the exception of the Forum's own package) because there will not be time to respond and change the testimony.
 - No response indicates consensus, so all issues should be stated as soon as possible. Those with concerns should also offer alternatives.
- This year's administration budget includes the 2nd half of funding for PUC reorganization, which allows them to retain unfilled positions and relocate. The Forum supports the budget submitted by PUC to the administration, and is interested in seeing DBEDT's reorganization.

Representative Morita: HCEI Bill and Energy & Food Security Authority

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- Committee broke the DBEDT omnibus bill into 3 sections: renewable energy, electricity efficiency and transportation
 - There are many bills associated with HCEI, but committee is trying to address policy issues in a majority packet. There was also hope for a consensus document prior to session, but it didn't happen.
- Setting wholesale prices: There used to be a floor for RE of at least avoided cost, changed to "no more than avoided cost" w/RPS. Now it's more restrictive than PURPA. There is consensus that this section should go.
- Key issue: critical for PUC to regulate avoided costs.
 - As mentioned in RPS, PUC has to set wholesale prices to no more than avoided costs. Alternatively, the feed-in docket is more restrictive than PURPA because it doesn't allow price above avoided cost.
 - This issue is to be introduced as a separate bill, not in HCEI.
- Establishing an Energy & Food Security Authority would bring together energy (DBEDT) and agriculture marketing (DOA) under one authority and would be a major step toward a long-term approach to support energy security.
 - Barrel tax could be used as a funding source – there is a proposal looking at increasing barrel tax to support energy security and food security issues. Her committee has discussed the impact to residents and businesses with UHERO.
 - This proposal puts forth a \$1/barrel tax. Blue Planet proposed a \$5/barrel tax, but at that rate, money may go to the general fund, which wouldn't be ideal when the Authority wants to invest larger capital projects.
 - The proposal is written in such a way that funding could support agriculture infrastructure, like waterways.
 - It would be ideal to involve counties in the energy/food security dialogue.

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- The Authority will make decisions on how to spend funds. This system will be different from the current administrative setup, so the make up of the Authority board will be controversial.
- This may become the best economic stimulus for the state. It may be the most equitable way. Have spoken to Denise Konan to get an assessment of the potential burden on Hawaii residents and businesses.
- This bill could also include agricultural infrastructure
- Forum can assist through outreach and by assessing issues among stakeholders and facilitating mitigation if needed. The barrel tax will be especially controversial.
- Bill deadline is Wednesday 1/28/09 – Representative Morita’s office will issue bills as they are numbered and the vetting process can begin.
 - The Transportation Working Group and SC meet on Thursday 1/29, and the SC meets on Friday 1/30 to discuss vetting.

Other Business

- Call for papers is still active – submissions are given \$500 as a small honor. We are expecting papers on energy efficiency, food vs. fuel and transportation energy efficiency.
- Peter is coordinating a summer lecture series in partnership with UH Manoa Outreach College. Forum members are asked to submit ideas.
 - June 6, 2009: Sakamaki Extraordinary Lecture
- The transportation study is focusing on ground transportation preferences – currently sponsored by OMPO and DOT, so it is focused on O’ahu.
 - Another \$25-30k (\$80k total) is needed for a statewide study. Additional funding is being sought, but counties are not willing to support the study financially.
 - RFP for call center to conduct a phone survey will be issued in about a week.

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- Ideally, this study will gather data to support transportation-related proposals and enable fact-based policy analysis. UHERO is doing GHG studies, including transportation, and has agreed to help gather data that can feed into this study.

Meeting adjourned at 12:15 pm