

HAWAII STATE ENERGY OFFICE STATE OF HAWAII

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DAVID Y. IGE
GOVERNOR

SCOTT J. GLENN
CHIEF ENERGY OFFICER

(808) 587-3807

Testimony of **SCOTT J. GLENN, Chief Energy Officer**

before the
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM
Friday, January 31, 2020
2:55 PM
State Capitol, Conference Room 414

Comments in consideration of
SB 2801
RELATING TO ENERGY.

Chair Wakai, Vice Chair Taniguchi, and members of the Committee. The Hawaii State Energy Office (HSEO) offers comments on SB 2801, which requires the Public Utilities Commission to establish preferential electricity rates for residential properties located within a five-mile radius of a utility scale wind energy facility.

Our comments are guided by our mission to promote energy efficiency, renewable energy, energy resiliency, and clean transportation to help achieve a decarbonized economy.

We support the exploration of appropriate benefits for communities directly impacted by large (utility scale) renewable energy projects developed to meet the State's renewable energy mandate.

Preferential rates for impacted communities is one of the ideas that can be considered as a feasible community benefit, although there are unknowns concerning its implementation and enforcement. We would appreciate the opportunity to participate in additional analysis and discussion on how such a program would be implemented, and what might be the potential impact of such a community benefit on the use of wind energy to meet Hawaii's renewable energy mandate.

Thank you for the opportunity to testify.

TESTIMONY OF
JAMES P. GRIFFIN, Ph.D.
CHAIR, PUBLIC UTILITIES COMMISSION
STATE OF HAWAII

TO THE
SENATE COMMITTEE ON
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

January 31, 2020
2:55 p.m.

Chair Wakai and Members of the Committee:

MEASURE: S.B. No. 2801

TITLE: RELATING TO ENERGY.

DESCRIPTION: Requires the public utilities commission to establish preferential electricity rates for residential properties located within a five-mile radius of a utility scale wind energy facility.

POSITION:

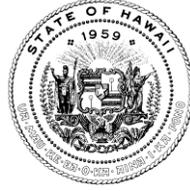
The Public Utilities Commission offers the following comments for consideration.

COMMENTS:

The Legislature has previously allowed the Commission to set preferential potable water rates for agricultural customers, preferential transportation rates for agricultural customers, preferential electricity rates for renewable energy produced in conjunction with agricultural activities, and preferential electricity rates for protected agriculture (see Hawaii Revised Statutes §§ 269-26.5, -26.6, -27.3, and -27.7).

The Commission supports developing a holistic approach to ensuring utility-scale renewable energy projects are developed at appropriate sites and residents directly benefit from projects located in their communities. Preferential rates may be one option to provide direct community benefits; however, the Commission believes other options should be explored as well and ultimately community benefits should be offered in a comprehensive package.

Thank you for the opportunity to testify on this measure.



DAVID Y. IGE
GOVERNOR

JOSH GREEN
LT. GOVERNOR

**STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

335 MERCHANT STREET, ROOM 310
P.O. BOX 541
HONOLULU, HAWAII 96809
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CATHERINE P. AWAKUNI COLÓN
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

Testimony of the Department of Commerce and Consumer Affairs

**Before the
Senate Committee on Energy, Economic Development, and Tourism
Friday, January 31, 2020
2:55 p.m.
State Capitol, Conference Room 414**

**On the following measure:
S.B. 2801, RELATING TO ENERGY**

Chair Wakai and Members of the Committee:

My name is Dean Nishina, and I am the Executive Director of the Department of Commerce and Consumer Affairs' (Department) Division of Consumer Advocacy. The Department appreciates the intent of and offers comments on this bill.

The purpose of this bill is to require the Public Utilities Commission (Commission) to establish preferential electricity rates for residential properties located within a five-mile radius of a utility scale wind energy facility.

The Department recognizes the growing concerns about the financial, societal, and environmental impacts of utility scale projects when placed in close proximity to communities. Where community opposition or concerns have been raised, the Department has included them in its analyses and recommendations to the Commission as part of the deliberative process that is required before utility scale projects can be constructed or agreements to purchase energy can be approved. The Department has been urging the Commission, the utility companies, and relevant developers to find

solutions to improve customer outreach. This would allow them to better assess community support or opposition to utility scale projects in selected areas and avoid burdening host communities with the impact of those projects.

While the Department appreciates the bill's intent to provide direct benefits to offset potential risks of living near wind turbines, preferential electricity rates may mollify only a subset of customers in the affected communities. In addition, the Department is unclear about the rationale for the selected five-mile radius and questions the feasibility of implementing preferred rates on this basis. The Department also questions whether residents who move into a home within the five-mile radius after the project is constructed should receive the preferential rates; arguably, they had the option of not moving into that home if they were concerned about the potential impacts of living near the wind turbine. These are the type of questions that were raised in a past proceeding, when there was a proposal to allow preferential rates to customers who lived close to a proposed generating station. It is also questionable why only customers who live close to a wind turbine can receive preferential rates.

The Department is also aware of different types of community benefits packages that were the result of discussions between developers and the community to address concerns with a project. Given the differences in communities and the concerns that may be raised, the community benefits packages are an example of how different solutions may be required to address concerns and how a key factor may be that developers need to improve their outreach efforts.

The Department has been recommending that community outreach conducted early and consistently throughout the project and project site selection process – and even after the project is constructed – should be required. Thus, the Department has been urging project developers and utility companies to improve customer outreach activities to identifying any cost-effective and reasonable remedies to concerns. In recent request for proposals, the Hawaiian Electric Companies have included a requirement that bidders have a community outreach plan that, at a minimum, informs the community, allays concerns, and meets customer requests, where reasonable, to garner support. The Department is concerned that project developers may argue that

the recommended customer outreach is unnecessary because residents are receiving just compensation in the form of preferential rates.

Thank you for the opportunity to testify on this bill.



Environmental Caucus The Democratic Party of Hawai'i

January 30, 2020

Re: **SB2801 - RELATING TO ENERGY**

Position: **Support**

Aloha Chair Wakai, Vice Chair Taniguchi, and members of the Senate Committee on Energy, Economic Development, and Tourism,

Communities have clearly demonstrated that they do not want utility scale wind farms in their neighborhoods. While the Environmental Caucus supports the development of alternative energy sources that prove more environmentally sensible than the burning of fossil fuels is, it does not advocate for these developments at the expense of already adversely impacted communities.

The wind turbines have been reported to cause damage beyond property value, negatively impacting human health, causing sleeplessness, headaches, and visual disturbance. Since the wind farms have already been and continue to be installed against the wishes of the local community in places like Kahuku, the minimum the State can do to provide environmental justice and rectify the situation is to provide those under the shadow of these turbines with greatly reduced electricity rates.

We therefore, support SB2801 which requires the public utilities commission to establish preferential electricity rates for residential properties located within a five-mile radius of a utility scale wind energy facility.

Mahalo for your consideration,

Lana Olson
Chair
Environmental Caucus of the Democratic Party of Hawai'i (ECDPH)

SB-2801

Submitted on: 1/30/2020 10:47:56 AM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Joseph Kohn MD	Testifying for We Are One, Inc. - www.WeAreOne.cc - WAO	Support	No

Comments:

Strongly support SB 2801.

Kahuku's wind farm was poorly planned and ignored the concerns of residents for years.

Living close to a wind farm can cause earaches, dizziness, fainting, migraines, and trouble sleeping, in addition to the nuisance noise levels and shadow flickers.

Like other NIMBY projects, wind farms tend to be sited near low-income communities and communities of color.

A break on electricity costs is a token reparation to people having to deal with the effects of a wind farm, but it's better than nothing.

Pass SB 2801 and show at least a little respect for people having to deal with the effects of a wind farm.

www.WeAreOne.cc



183 Pinana St., Kailua, HI 96734 • 808-262-1285 • info@350Hawaii.org

To: The Senate Committee on Energy, Economic Development, and Tourism
From: Brodie Lockard, Founder, 350Hawaii.org
Date: Friday, January 31, 2020, 2:55 pm

In strong support of SB 2801

Dear Chair Wakai, Vice Chair Taniguchi, and members:

350Hawaii strongly supports SB 2801.

Kahuku's wind farm was poorly planned and ignored the concerns of residents for years.

Living close to a wind farm can cause earaches, dizziness, fainting, migraines, and trouble sleeping, in addition to the nuisance noise levels and shadow flickers.

Like other NIMBY projects, wind farms tend to be sited near low-income communities and communities of color.

A break on electricity costs is a token reparation to people having to deal with the effects of a wind farm, but it's better than nothing.

Pass SB 2801 and show at least a little respect for people having to deal with the effects of a wind farm.

Brodie Lockard
Founder, 350Hawaii.org



**TESTIMONY BEFORE THE SENATE COMMITTEE ON
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM**

**S.B. 2801
Relating to Energy**

WRITTEN TESTIMONY ONLY

Friday, January 31, 2020
2:55pm, Agenda Item #8
State Capitol, Conference Room 414

Hawaiian Electric Company, Inc.

Chair Wakai, Vice Chair Taniguchi, and Members of the Committee,

Hawaiian Electric Company, Inc. (Hawaiian Electric) is providing **comments** regarding S.B. 2801, Relating to Energy. Hawaiian Electric generally supports community benefits, but has concerns with the bill as currently written.

Preferential electric rates have the potential to create large subsidies that other customers must pay for. Language should be added to give the Public Utilities Commission (PUC) flexibility to ensure that any subsidization being paid by other customers is limited and reasonable, and that the PUC can periodically review and adjust the rate, if necessary.

Thank you for this opportunity to provide written testimony.

SB-2801

Submitted on: 1/27/2020 6:37:45 PM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Tawn Keeney	Individual	Support	No

Comments:

This is an excellent idea. It is an idea which should apply to other types of power generation, such as living in immediate proximity to boiler generating electricity emitting hazardous air pollutant via a smokestack. But the benefit in electricity rates should be graduated over that 5 mile radius with the nearer one lives the greater the reduction in electricity costs. Tawn Keeney MD

SB-2801

Submitted on: 1/28/2020 11:22:01 PM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Caroline Kunitake	Individual	Support	No

Comments:

Please support SB2801.

Mahalo,

Caroline Kunitake

SB-2801

Submitted on: 1/29/2020 9:11:35 AM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
J Riverstone	Individual	Support	No

Comments:

SB-2801

Submitted on: 1/29/2020 11:25:28 AM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

SB-2801

Submitted on: 1/29/2020 1:01:10 PM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Mark K.Wilson III	Individual	Support	No

Comments:

SB-2801

Submitted on: 1/29/2020 3:07:13 PM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
tlaloc tokuda	Individual	Support	No

Comments:

i support this bill

SB-2801

Submitted on: 1/29/2020 4:19:39 PM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Andrea Quinn	Individual	Support	No

Comments:

Dear Honorable Committee Members:

Please support SB2801, which will help to mitigate climate change.

Thank you for the opportunity to present my testimony.

Andrea Quinn

Kihei

SB-2801

Submitted on: 1/29/2020 9:58:23 PM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Phaethon Keeney	Individual	Support	No

Comments:

SB-2801

Submitted on: 1/30/2020 6:26:37 AM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lynn Aaberg	Individual	Support	No

Comments:

Please support SB 2801. Wind farms are an important part of establishing our zero emissions goal, but Kahuku's wind farm was poorly planned and ignored the concerns of residents. Like many other NIMBY projects, wind farms tend to be located near low income communities. Although this bill doesn't address all their concerns, a break on electricity costs shows some respect and care for those who have to deal with the effects of a wind farm. Please support.

Sincerely,

Lynn Aaberg

SB-2801

Submitted on: 1/30/2020 7:26:40 AM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Zoe Malia Ozoa Loos	Individual	Support	No

Comments:

To: The Senate Committee on Energy, Economic Development, and Tourism

From: ZOE MALIA OZOA LOOS

Date: Friday, January 31, 2020, 2:55 pm

In strong support of SB 2801

Dear Chair Wakai, Vice Chair Taniguchi, and members:

I strongly support SB 2801.

Kahuku's wind farm was poorly planned and ignored the concerns of residents for years.

Living close to a wind farm can cause earaches, dizziness, fainting, migraines, and trouble sleeping, in addition to the nuisance noise levels and shadow flickers.

Like other NIMBY projects, wind farms tend to be sited near low-income communities and communities of color.

A break on electricity costs is a token reparation to people having to deal with the effects of a wind farm, but it's better than nothing.

Pass SB 2801 and show at least a little respect for people having to deal with the effects of a wind farm.

ZOE MALIA OZOA LOOS

SB-2801

Submitted on: 1/30/2020 8:39:08 AM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Joy Silver	Individual	Support	No

Comments:

SB-2801

Submitted on: 1/30/2020 11:28:55 AM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Laurel Quarton	Individual	Support	No

Comments:

SB-2801

Submitted on: 1/30/2020 2:13:56 PM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Nanea Lo	Individual	Support	No

Comments:

Dear Chair Wakai, Vice Chair Taniguchi, and members:

I strongly support SB 2801.

Kahuku's wind farm was poorly planned and ignored the concerns of residents for years.

Living close to a wind farm can cause earaches, dizziness, fainting, migraines, and trouble sleeping, in addition to the nuisance noise levels and shadow flickers.

Like other NIMBY projects, wind farms tend to be sited near low-income communities and communities of color.

A break on electricity costs is a token reparation to people having to deal with the effects of a wind farm, but it's better than nothing.

Pass SB 2801 and show at least a little respect for people having to deal with the effects of a wind farm.

me ke aloha 'Ä• ina,

Nanea Lo

LATE

SB-2801

Submitted on: 1/30/2020 5:22:06 PM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Matthew Geyer	Individual	Support	Yes

Comments:

Reducing the electric bills of those who live close to a wind energy facility is a start towards making reparations for the consequences of having a wind farm generating electricity near residential neighborhoods.

LATE

SB-2801

Submitted on: 1/30/2020 7:03:35 PM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Patricia Blair	Individual	Support	No

Comments:

SB-2801

Submitted on: 1/30/2020 7:27:27 PM

Testimony for EET on 1/31/2020 2:55:00 PM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Noel Morin	Individual	Support	No

Comments:

Dear Chair Wakai, Vice Chair Taniguchi, and members:

I strongly support SB 2801.

Kahuku's wind farm was poorly planned and ignored the concerns of residents for years.

Living close to a wind farm can cause earaches, dizziness, fainting, migraines, and trouble sleeping, in addition to the nuisance noise levels and shadow flickers.

Like other NIMBY projects, wind farms tend to be sited near low-income communities and communities of color.

A break on electricity costs is a token reparation to people having to deal with the effects of a wind farm, but it's better than nothing.

Pass SB 2801 and show at least a little respect for people having to deal with the effects of a wind farm.

Sincerely,

Noel Morin

Hilo

LATE

SB-2801

Submitted on: 1/30/2020 10:08:54 PM
Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Kathy Shimata	Individual	Support	No

Comments:

We very much need renewable energy projects. Those who live near them should benefit to compensate for the inconveniences.

LATE

SB-2801

Submitted on: 1/31/2020 7:36:35 AM
Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Michele Nihipali	Individual	Support	No

Comments:

Dear Senators,

Those residents who live within five miles of a major ultitly scale wind energy facilites should benefit from having to carry the brunt of impacts from wind turbines. Preferential rates for these residents should be enacted.

Mahalo for your consideration,

Michele Nihipali

54-074 A Kam Hwy.

Hauula, HI 96717

LATE

SB-2801

Submitted on: 1/31/2020 9:31:43 AM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Sunny	Individual	Support	No

Comments:

Although I support the intent of this bill which is to provide a small benefit to the affected community, I strongly urge you to consider how the "5 mile radius" can pit small rural communities against each other.

Kahuku is already facing divisiveness with our neighboring community of Laie. There has been much contention created between Kahuku and Laie related to the fact that Laie Community Association will receive \$20,000 a year and shows interest in placing the community rec center (AES is willing to provide 1.5 million) in their community while they oppose wind turbines in their own community. Let's say for example, preferential rates will be given to Laie, would Laie support a project that their neighboring community Kahuku strongly opposes because there would be a financial benefit of preferential rates that they would receive? Given their track record, the answer is "Yes." Is there a way to add language in this bill that can eliminate this issue?

In addition, I would like to point out that our health is NOT worth getting the preferential rate and that no amount of "preferential rate" is worth trading off and sacrificing the health and wellbeing of my children and family. I would absolutely not trade my keiki and family's health just to get this benefit. In addition, the government must not justify putting projects in communities just because they are going to give a "preferential rate" in exchange. Although the intention may have been good, this is not the best way to address the negative impacts the community will be forced to bear. I urge to implement greater setback laws and to create a community task force to ensure meaningful involvement and voice of the community to address community's concerns of utility scale projects.

LATE

SB-2801

Submitted on: 1/31/2020 3:32:13 PM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Ka'umealani Walk	Individual	Support	No

Comments:

TO: The Honorable Senator Wakai & Members of the Committee on Energy Economic Development and Tourism,

FROM: Ka'umelani Walk

RE: **SUPPORT for SB2801** - Relating to Energy

DATE: January 31, 2020

I emphatically **SUPPORT SB2801!**

I am a resident of the La'ie Community and I serve as a kumu in the Kula Kaiapuni Hawai'i 'o Kahuku Academy (Hawaiian Language Immersion) on the campus of Kahuku High & Intermediate School which has a student body of about 1400 students with over 100 teachers, faculty and staff.

While this bill does not address the adverse health & environmental effects it continues to have on all of us who are on campus for the entire school day and in the surrounding community, it does offer some sort of benefit to the communitities within a 5 mile radius who are directly affected by the calculated risks of living under wind turbines.

Therefore, I wholeheartedly **SUPPORT Senate Bill 2801!**