



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
House Committee on Energy & Environmental Protection  
Thursday, March 17, 2022 at 9:00 a.m.

By  
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And  
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### SB 2483 SD2 – RELATING TO ENERGY

Chair Lowen, Vice Chair Marten, and members of the committee:

SB 2483 SD2 proposes amendments to HRS Section 226, Hawai'i State Planning Act; 226-18 Objectives and policies for facility systems—energy; with the objective to ensure that all new utility scale electricity generation projects shall be renewable. SB 2483 SD2 also appropriates funding for the Hawai'i Natural Energy Institute (HNEI) to evaluate the benefits and costs of dispatching renewable energy resources.

HNEI **supports the intent** of this bill to prioritize the dispatch of renewable generation, provided that its passage does not replace, or impact priorities as indicated in our BOR Approved Budget; but offers the following comments.

Section 2 a(4) would require that “all new utility scale electricity generation projects shall be renewable.” We believe that the intent of this language is to ensure maximum use of renewables and lower use of fossil fuels. We agree with this intent. However, based on modeling of the electrical grids, there can be significant benefits to the grid by the addition of smaller and more flexible internal combustion engines or combustion turbine units. While these units should be operated using renewable fuels whenever they are available; intermittent operation of these flexibly units using fossil fuels could, under some circumstances, improve grid reliability and allow faster retirement of aging oil units resulting in a net fossil fuel reduction. We recommend that this language in this section be amended so state “all new utility scale electricity generation projects shall be renewable capable”.

Section 3 of SB 2483 SD2 requires the HNEI to evaluate the benefits and costs of dispatching renewable energy sources. We believe that the costs and benefits of dispatching renewable energy sources can only be determined when their usage within the complete energy system is considered. We respectfully suggest that lines 9 and 10 of Section 3 be amended to say “for the Hawaii Natural Energy Institute to evaluate the

benefits and costs of dispatching renewable energy sources considering the context of ongoing state energy planning efforts.

Section 3 also appropriates funds from the Energy Systems Development Special Fund (ESDSF) for the requested study. HNEI has a sufficient balance of funding in the ESDSF to complete the requested work and does not believe a separate appropriation is necessary.

Thank you for the opportunity to provide this testimony on SB 2483 SD2.