



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Energy, Economic Development, and Tourism and
Senate Committee on Government Operations
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SB 2483 – RELATING TO ENERGY

Chairs Wakai and Moriwaki, Vice Chair Misalucha and Dela Cruz, and members of the committees:

SB 2483 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 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 Board of Regents 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 can, 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 to state “all new utility scale electricity generation projects shall be renewable capable”.

Section 3 of SB 2483 appropriates funding for the HNEI to evaluate the benefits and costs of dispatching renewable energy sources. Other bills proposed for consideration in the 2022 session including the SB 2283 (Hawai'i Hydrogen Strategic Plan) and SB

2510 (Relating to Renewable Energy) already propose studies by HNEI that would encompass the goals of this study. Even without passage of these other bills, HNEI uses current barrel tax allocations to work with the PUC, the HSEO, the utility, and other parties on a regular basis to provide on-going relevant analysis. HNEI is committed to continuing these efforts using currently available funding and considers this additional study to be unnecessary as it is redundant with the other bills and/or ongoing work.

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