

**State of Hawai'i - Department of Business, Economic Development, and Tourism**  
**Greenhouse Gas Emissions Reduction Task Force**  
**Meeting Minutes**  
**December 19, 2008**  
**9-11 am**  
**Room 600 Leiopapa A Kamehameha Building**  
**235 S. Beretania St., Honolulu 96813**

Attendance

Task Force

Present:

1. Mr. Theodore A. Peck, designee for Theodor E. Liu (DBEDT)
2. Dr. Lorenz Magaard (University of Hawai'i)
3. Mr. Gary North (Matson)
4. Mr. Gareth Sakakida (Hawaii Transportation Assn.)
6. Mr. Laurence K. Lau (DOH)
7. Mr. Mark Fox (The Nature Conservancy)

1) The meeting was called to order by Co-Chair Lau at 9:08 am.

2) The minutes from the November task force meeting were adopted without amendments.

3) There was a general discussion of the final updated GHG inventory by ICF International. Task Force members decided not to formally vote on approving the document, but rather left the vetting and review to DBEDT and DOH staff. Staff indicated that after review, it would be submitted to the Governor's office and state Legislature before opening of the 2009 session. Task Force members discussed the nature of inventory data, e.g. it is continually being refined and the national inventory for 1990 is re-done every year. However, the TF and staff expressed confidence that the final updated inventory was done with quantitative and analytical rigor sufficient to the purposes of inventory as outlined in Act 234. Members stressed the need to act on the data.

Public comment included observations that it might have been unnecessary to compare the current inventory with the 1997 report on 1990 data, that data should be put into units of tons rather than MMTS (million metric tons) for clarity, whether military fuel use (mobile sources) should be better accounted for in the future, and what the process would be for refining the data in the future. Staff responded to the comments while acknowledging that no major revisions to methodology were deemed warranted or possible in the time frame.

4) The Task Force discussed areas of focus for analysis and work plan development. Some issues raised included:

- Upstream vs downstream regulation (oil producers vs. everyone who drives a car)
- How to deal with aviation emissions
- Adaptation to climate change
- What to do with revenue from a carbon tax
- Thresholds for regulation
- National cap and trade legislation –likely under new administration
- Copenhagen 09 – USA will want to take a strong stance
- Working with Hawaii's Congressional delegation on national policy
- Hawaii's role in initiatives such as the Western Climate Initiative

- Issue of federal pre-emption (exemption of Hawaii from regulatory regime) – whether HI should actively seek

Members also discussed the need for analysis of the effects of a cap and trade system and a carbon tax system, the need to strongly integrate TF/Act 234 efforts with the Hawaii Clean Energy Initiative, and possibilities for raising revenue for HCEI activities (such as a price floor on petroleum) and other means to de-incentivize fossil fuel use. Other topics included data reporting and verification systems (eg ISO 14000, ANSI and Canadian standards), whether mandatory early reporting would be helpful in verifying early reductions in emissions, and how to ensure equity in impacts to consumers. There was general agreement that ICF analysis and workplans should focus on:

- National Cap and Trade system
- Hawaii Cap and Trade system
- Hawaii-based carbon tax

5) The HCEI update was deferred until a future meeting as was discussion on national legislation.

6) The meeting was adjourned at 11:01 am.

7) The next meeting is scheduled for the first week of January, 2009.