

# West Hawaii Today

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## Oil, state revenues top Lingle's talk

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Dependency on foreign oil, a system that rewards use of oil over renewable resources and the impact of declining state revenues were top concerns Gov. Linda Lingle addressed at a meeting in Keauhou Thursday.

Unlike states on the mainland, which moved in the 1970s to diversify power supply sources to include nuclear energy, hydroelectricity, coal and natural gas, Hawaii still generates about 85 percent of its energy from burning oil, Lingle said.

"It wasn't in the utilities' interest to move away from oil," she told attendees at the Kona-Kohala Chamber of Commerce event. "They have a 100 percent pass-through. That's the situation we have here because of the regulatory structure."

That means, she explained, oil price increases are passed on to consumers directly.

Lingle said the Big Island, where about 30 percent of the energy is generated through a renewable resource like wind, can lead the rest of the state in testing and switching to new power sources.

That might mean convincing utility providers and the Public Utilities Commission to -emphasize security over reliability. A majority of the oil brought into Hawaii originates in foreign countries, including some Lingle alluded to as "avowed enemies," and security should become a priority, she said. She did not specify to which countries the phrase referred.

The tight finances Hawaii's residents and businesses are experiencing extend to the state government levels, she said.

"When you hear people talk about, 'the governor won't release this' -- we can't release what we don't have," Lingle said during her hour-long speech and question-and-answer session. "The rate of growth is moderating substantially. ... It means you take a very close look at every expenditure."

Revenues grew by 16 percent two years ago, and by 11 percent last year, she said. This year, the growth is projected at about 4 percent, Lingle said, adding that every percent less in growth means about \$45 million less for the state budget.

Other kinds of growth are on the way for Hawaii Island, though, she said. Population projections for 2035 show 63 percent growth, which would take the population to about 280,000 people, the highest growth rate in the state.

The state needs to "balance prosperity with protection of cultural resources," Lingle said. "If we don't, overdevelopment will hurt the economy and cause us to lose what is special about Hawaii."

Also important for the state's future is a focus on innovation, and encouraging the state's students to pursue careers in science and math. Again, Lingle pointed to the Big Island, where international telescopes provide some jobs for scientists. The island is home to some of the best scientific resources in the state, she said.

"We need to provide opportunities here at home," Lingle said. "We don't think any student should have to come home to work, but they should have that opportunity."

The governor encouraged meeting attendees to vote "yes" in November to a call for a Constitutional Convention. Hawaii's lieutenant governor is required to put a call for a convention on the ballot every 10 years, and Lingle said that would be the best way for proponents of breaking the state's Department of Education into local school districts.

"I just think it would be the greatest thing," she said. "Almost no one votes in a school board election. Just imagine if it was a West Hawaii school board."