

Honolulu, Hawaii

FEB 11 2025RE: S.B. No. 202
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Energy and Intergovernmental Affairs, to which was referred S.B. No. 202 entitled:

"A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY,"

begs leave to report as follows:

The purpose and intent of this measure is to require electric utilities to compensate consumer-generators for excess electricity credits.

Your Committee received testimony in support of this measure from the Green Party of Hawai'i, Recycle Hawaii, Clean the Pacific, Kauai Climate Action Coalition, Environmental Caucus of the Democratic Party of Hawai'i, Life of the Land, 350Hawaii.org, GreenPeace Hawaii, and thirty-one individuals.

Your Committee received testimony in opposition to this measure from Hawaiian Electric and Kaua'i Island Utility Cooperative.

Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs, Public Utilities Commission, and one individual.

Your Committee finds that incentivizing renewable energy generation can contribute greatly to the State's energy goals. This measure not only encourages consumers to install distributed



renewable energy resources, such as rooftop solar systems, but also to conserve the renewable energy produced. Your Committee has heard concerns that compensating eligible customer-generators at the retail rate class to which the customer is normally assigned could result in higher utility costs for customers without a distributed renewable energy system. Your Committee notes that as customer-generators continue to be compensated, the remainder of the grid costs are be paid by customers who do not generate renewable energy, many of whom are renters, live on fixed income, or cannot afford the upfront investment of installing a rooftop solar system. Amendments are therefore necessary to address this potential inequity.

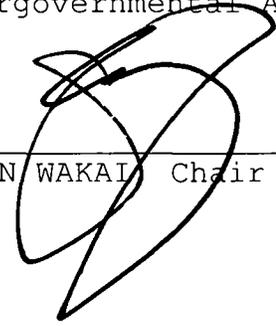
Accordingly, your Committee has amended this measure by:

- (1) Requiring the compensation owed to an eligible customer-generator to be calculated at a rate to be established by the Public Utilities Commission, rather than at the retail rate class to which the customer is normally assigned;
- (2) Inserting language to exempt member-owned cooperative electric utilities from the provisions of this measure; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 202, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 202, S.D. 1, and be referred to your Committee on Commerce and Consumer Protection.



Respectfully submitted on
behalf of the members of the
Committee on Energy and
Intergovernmental Affairs,



GLENN WAKAI Chair



