Honolulu, Hawaii

Feh 15, 2008

RE: H.B. No. 2863 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fourth State Legislature Regular Session of 2008 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2863, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this bill is to establish a renewable energy facility siting process to expedite the review of state and county permits necessary for siting, development, construction, and operation of renewable energy facilities.

Specifically, the measure requires the Director of Business, Economic Development, and Tourism, as the Energy Resources Coordinator to establish a consolidated application process, administer the siting process, and determine permit terms and conditions. The coordinator also approves permits that encompass a number of zoning and permitting functions of state and county regulatory authorities for facilities that have the capacity to produce at least two hundred megawatts of electricity from renewable energy. In addition, the measure requires the Public Utilities Commission to act on rate agreements for non-fossil fuel generated electricity between a renewable energy facility owner and a public utility within thirty days.

Testimony in support of this measure was received by the Department of Business, Economic Development, and Tourism and Castle and Cooke Hawaii. Testimony in opposition to this measure was submitted by the Department of Planning and Permitting of the

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City and County of Honolulu and the Sierra Club. Comments on this measure were submitted by the Public Utilities Commission and the Kauai County Department of Planning.

Your Committee acknowledges the referring committees' concerns that this measure may:

- (1) Present conflicts with the delegation of certain environmental permitting authority from the United States Environmental Protection Agency to the Department of Health, and that adoption of this measure may require significant changes to state laws and rules if that authority is assigned to the Department of Business, Economic Development, and Tourism;
- (2) Unnecessarily override existing controls at the county level over the siting of renewable energy facilities and diminish the roles of communities and local authorities in establishing their own planning and land use policies; and
- (3) Place unrealistic time constraints on the Public Utilities Commission for the review and analysis of rate agreements.

Upon further consideration, however, your Committee finds that there is a critical need to increase the use of renewable energy in order to reduce the State's dependence on imported fossil fuels for energy generation. Your Committee further finds that the complexity and delays of the existing permitting processes for siting renewable energy facilities have been an impediment to the development and widespread use of renewable energy in the State. Accordingly, your Committee believes that streamlining and expediting this process will result in increased development and use of renewable energy resources.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2863, H.D. 1, and recommends that it be referred to the Committee on Finance.

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Respectfully submitted on behalf of the members of the Committee on Consumer Protection & Commerce,

ROBERT N. HERKES, Chair

State of Hawaii House of Representatives The Twenty-fourth Legislature

HSCR 551-08

Record of Votes of the Committee on Consumer Protection & Commerce

	ee Referral:	Date		.)
HB2863,HD1 (HSCR272-0\$) E	EP/WLH,CPC	,FIN (62113108	
☐ The committee is reconsidering its previous decision	on on the measure.			
The recommendation is to: Pass, unamended □ Pass short form b		ss, with amendments mmit for future publi		
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. HERKES, Robert N. (C)	4			
2. McKELVEY, Angus L.K. (VC)	γ			
3. EVANS, Cindy	P			
4. GREEN, Josh, M.D.	٦			
5. ITO, Ken	<u> </u>			
6. LUKE, Sylvia	•	×		
7. MORITA, Hermina M.		×	general to the second	
8. SONSON, Alex M.				۶
9. SOUKI, Joseph M.	\ \C			
10. TSUJI, Clift	٧			
11. YAMANE, Ryan I.	√			
12. YAMASHITA, Kyle T.	x			
13. MARUMOTO, Barbara C.		 		
14. THIELEN, Cynthia	Y			
			***************************************	,
TOTAL (14)	0)	3	0	l
The recommendation is: Adopted If joint referral	□ Not Adopt	did not suppo	ort recommendation	ı.
Vice Chair's or designee's signature:	4			
Distribution: Original (White) – Committee	Duplicate (Yello	ow) – Chief Clerk's (Office	