STAND. COM. REP. NO. 254

Honolulu, Hawaii

FEB 1 8 2007

RE: S.B. No. 1375

S.D. 1

Honorable Colleen Hanabusa President of the Senate Twenty-Fourth State Legislature Regular Session of 2007 State of Hawaii

## Madam:

Your Committee on Energy and Environment, to which was referred S.B. No. 1375 entitled:

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

begs leave to report as follows:

The purpose of this measure is to authorize the Public Utilities Commission to consider the need for increased renewable energy use in exercising its authorities and duties under chapter 269, Hawaii Revised Statutes.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism; Public Utilities Commission; Division of Consumer Advocacy, Department of Commerce and Consumer Affairs; Hawaiian Electric Company, Inc.; Sierra Club, Hawaii Chapter; Hawaii Solar Energy Association; Hawaii Renewable Energy Alliance; Haiku Design and Analysis; and Honolulu Seawater Air Conditioning, LLC.

Your Committee finds that intensifying worldwide competition for oil heightens the risk to the State's economy due to the continuing price volatility, and persistent likelihood of sudden, severe crude oil price spikes. Moreover, Hawaii is increasingly reliant on oil from the Middle East. From 1992 to 2004, Hawaii's crude oil imports from the Middle East averaged less than one per cent annually. In 2005, the total percentage was twenty-five per cent.

It is the intent of your Committee to support the increased development of renewable energy resources and reduce the State's reliance on imported oil by requiring, rather than permitting, the Public Utilities Commission to consider the need for increased renewable energy.

Your Committee has amended this measure to make the Public Utilities Commission consideration of the need for increased renewable energy mandatory and by making a nonsubstantive amendment for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1375, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1375, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.

Respectfully submitted on behalf of the members of the Committee on Energy and Environment,

RON MENOR, Chair

## The Senate Twenty-Fourth Legislature State of Hawaii

## Record of Votes Committee on Energy and Environment ENE

Bill / Resolution No.:* Committee SB 1375 ENE	Referral: CPH	Da	te: 2/06	107
The committee is reconsidering its previous decision on this measure.  If so, then the previous decision was to:				
The Recommendation is:				
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313				
Members	Aye	Aye (WR)	Nay	Excused
MENOR, Ron (C)				
HOOSER, Gary L. (VC)				
IHARA, Jr., Les				
KOKUBUN, Russell S.				
TRIMBLE, Gordon	<u> </u>			
TOTAL	9			1
Recommendation:  Adopted Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency				

\*Only one measure per Record of Votes