stand. com. rep. no. 696

Honolulu, Hawaii

March 5, 2009

RE: H.B. No. 1270 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fifth State Legislature Regular Session of 2009 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1270, 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 promote the use of renewable energy by eliminating the consideration of the avoided costs of a public utility in the determination of just and reasonable rates that a utility pays for electricity generated from nonfossil fuels.

The Department of Business, Economic Development, and Tourism; Consumer Advocate; Hawaiian Electric Company, Inc.; Hawaii Electric Light Company, Inc.; Maui Electric Company, Ltd.; Hawaii Farm Bureau Federation; Blue Planet Foundation; Sierra Club - Hawaii Chapter; Hawaii Energy Policy Forum; Dowling Company, Inc.; SunPower Systems Corporation; Hawaii Renewable Energy Alliance; and Alexander & Baldwin, Inc.; testified in support of this bill. The Public Utilities Commission (PUC) and Tawhiri Power, LLC, provided comments.

Section 269-27.2(c), Hawaii Revised Statutes, provides that just and reasonable rates, as determined by PUC, for nonfossil fuel-generated electricity supplied to a public utility by a producer are capped at 100 percent of the cost that the utility avoids by purchasing the energy instead of producing it. By removing the avoided-cost limit, this bill provides greater

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flexibility in the determination of just and reasonable rates in purchased power pricing for nonfossil fuel-generated electricity.

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. 1270, H.D. 1, and recommends that it pass Third Reading.

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-fifth Legislature

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: Committee HB 1270 HD1 EEF	e Referral:	Date	ite: 2/22/09	
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. HERKES, Robert N. (C)	V/			
2. WAKAI, Glenn (VC)	V			
3. BELATTI, Della Au				
4. CABANILLA, Rida		English Salasan Salasan		100 S
5. CARROLL, Mele				
6. ITO, Ken			40.5	
7. KARAMATSU, Jon Riki 8. LUKE, Sylvia	Maria Yakini Ka			- 1/
8. LUKE, Sylvia 9. McKELVEY, Angus L.K.				
10. MIZUNO, John M.		<u>kat ki 9lki sa sesao sijir</u>		V /
11. MORITA, Hermina M.				
12. SOUKI, Joseph M.	V,			
13. TSUJI, Clift				
14. MARUMOTO, Barbara C.	//			
15. THIELEN, Cynthia			Caralogue Par	
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		/		
TOTAL (15)	11	P	0	4
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Implicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				