STAND. COM. REP. NO.

954

Honolulu, Hawaii

MAR 25 2009

RE:

H.B. No. 1270

H.D. 1

S.D. 1

Honorable Colleen Hanabusa President of the Senate Twenty-Fifth State Legislature Regular Session of 2009 State of Hawaii

Madam:

Your Committee on Energy and Environment, 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 measure is to:

- (1) Remove the avoided cost limit on the rate for the purchase of electricity by a public utility and substitute a methodology that is just and reasonable;
- (2) Significantly reduce any linkages between volatile prices of fossil fuels and the rate for nonfossil fuel generated electricity; and
- (3) Potentially enable utility customers to share in the benefits of price stability and fuel cost savings resulting from the use of nonfossil fuel generated electricity.

Testimony in support of this measure was submitted by one state department and six private organizations. The Department of Business, Economic Development, and Tourism also submitted a statement of no objection to the measure. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that this is an important measure to move renewable energy forward in our State by delinking the price of renewable energy from the price of energy produced from fossil fuels. Removing the limit on purchase power rates based on the utility's avoided cost provides the Public Utilities Commission with greater flexibility in determining just and reasonable purchased power rates.

Your Committee has amended this measure by making a technical, nonsubstantive change for consistency.

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 H.B. No. 1270, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1270, H.D. 1, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

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

MIKE GABBARD, Chair

## The Senate Twenty-Fifth Legislature State of Hawaii

## Record of Votes Committee on Energy and Environment ENE

Bill / Resolution No.:* Committee	Referral:	Da	te:	
HB 1270 HOI ENE,	CPN		3-1	7-9
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
GABBARD, Mike (C)	\			
ENGLISH, J. Kalani (VC)				
GREEN, M.D., Josh			**************************************	
HOOSER, Gary L.	V			
IHARA, Jr., Les				
KOKUBUN, Russell S. HEMMINGS, Fred				
FIEIVINITINGS, FFEU				
			ALC:	
		320025		
TOTAL	4	<b>Ø</b>	D	3
Recommendation:  Adopted Not Adopted				
Chair's or Designee's Signature:				
Distribution:         Original         Yellow         Pink         Goldenrod           File with Committee Report         Clerk's Office         Drafting Agency         Committee File Copy				

\*Only one measure per Record of Votes