

**HAWAII RENEWABLE ENERGY ALLIANCE**

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LATE  
Agenda

**Officers**

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Warren S. Bollmeier II

Vice-President  
John Crouch

Secretary/Treasurer  
Cully Judd

**Directors**

Warren S. Bollmeier II  
WSB-Hawaii

Cully Judd  
Inter Island Solar Supply

John Crouch  
Sunpower Corporation

Herbert M. (Monty) Richards  
Kahua Ranch Ltd.

TESTIMONY OF WARREN BOLLMEIER ON BEHALF OF THE HAWAII  
RENEWABLE ENERGY ALLIANCE BEFORE THE HOUSE COMMITTEE ON  
FINANCE

SB 1173 SD2 HD2, RELATING TO ENERGY EFFICIENCY

April 6, 2009

Chair Oshiro, Vice-Chair Lee and members of the Committee, I am Warren Bollmeier, testifying on behalf of the Hawaii Renewable Energy Alliance (HREA). HREA is a nonprofit corporation in Hawaii, established in 1995 by a group of individuals and organizations concerned about the energy future of Hawaii. HREA's mission is to support, through education and advocacy, the use of renewables for a sustainable, energy-efficient, environmentally-friendly, economically-sound future for Hawaii. One of HREA's goals is to support appropriate policy changes in state and local government, the Public Utilities Commission ("Commission") and the electric utilities to encourage increased use of renewables in Hawaii.

The purpose of SB 1173 SD2 HD2 is to establish energy-efficiency initiatives necessary for and contributing to the transition of Hawaii's energy sector to non-petroleum energy sources.

HREA **supports** the **intent** of this bill and offers the following comments on Sections 1 and 2 and recommended amendments to Section 2:

- (1) Energy-efficiency portfolio standard. We understand the EPS is to be a companion to our RPS law, but in the Section 1 this is not made clear. In Section 2, we believe the EPS should be:
  - (a) the responsibility of the Public Benefits Fund ("PBF") Administrator, and
  - (b) realigned to focus the PBF Administrator's scope of work on energy savings measures.
- (2) Energy Savings Measures. HREA recommends that the EPS include the following energy savings measures:
  - (a) Traditional energy efficiency measures,
  - (b) Off-set renewable technologies, and
  - (c) Net Metered renewable systems.

**With our proposed amendments in the attachment, HREA can support this bill.**

Thank you for this opportunity to testify.

HREA Testimony Before CPC – 03/23/09  
Excerpt from SB 1173 SD2 HD1

SECTION 2. The Hawaii Revised Statutes is amended by adding three new sections to be appropriately designated and to read as follows:

"§ - Energy-efficiency portfolio standards. (a) The public utilities commission shall establish energy-efficiency portfolio standards that will maximize cost-effective energy-efficiency programs and technologies. Energy-efficiency measures shall include electrical energy savings brought about by the use of traditional energy efficiency technologies, including heat pump water heating, ice storage, ratepayer-funded energy efficiency programs, and use of rejected heat from co-generation and combined heat and power systems, excluding fossil-fueled qualifying facilities that sell electricity to electric utility companies and central station power projects.

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(b) The energy-efficiency portfolio standards shall be designed to achieve four thousand three hundred gigawatt hours of electricity use reductions statewide by 2030; provided that the commission shall establish interim goals for electricity use reduction to be achieved by 2015, 2020, and 2025 and may also adjust the 2030 standard by rule or order to maximize cost-effective energy-efficiency programs and technologies.

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(c) The commission shall assign the responsibility for achievement of the energy-efficiency portfolio standards to the Public Benefits Fund Administrator. The Public Benefits Fund Administrator may elect to subcontract for certain energy-efficiency services via competitive bidding processes. In turn, the utility company and any of its subsidiaries may elect to respond to any solicitations from the Public Benefits Fund Administrator for energy-efficiency services.

HREA Testimony Before CPC – 03/23/09  
Excerpt from SB 1173 SD2 HD1

(d) The commission shall establish incentives and penalties based on performance in achieving the energy-efficiency portfolio standards by rule or order.

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(e) The public utilities commission shall evaluate the energy-efficiency portfolio standard every five years, beginning in 2013, and may revise the standard, based on the best information available at the time, to determine if the energy-efficiency portfolio standard established by this section remains achievable. The commission shall report its findings and revisions to the energy-efficiency portfolio standard, based on its own studies and other information, to the legislature no later than twenty days before the convening of the regular session of 2014, and every five years thereafter.

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(f) Beginning in 2015, in addition to traditional energy-efficiency measures, energy-efficiency measures shall also include shall count toward this standard: (i) electric energy savings brought about by the use of renewable displacement or off-set technologies, including solar water heating, seawater air conditioning district cooling, and solar air conditioning systems; and (ii) customer sited, grid connected, net metered renewable energy systems.

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Deleted: (f) An electricity utility company and its electric utility affiliates may aggregate their efficiency portfolios in order to achieve the energy-efficiency portfolio standard.