



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

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Statement of
THEODORE E. LIU
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION
Tuesday, March 17, 2009
8:30 a.m.
State Capitol, Conference Room 325
in consideration of
SB 1675, SD2
RELATING TO RENEWABLE ENERGY.

Bill No. 1675
Support Y N
Date 3/16/09
Time 1428
Cat AF AS AX BC
Type 1 2 WI

Good Morning, Chair Morita, Vice-Chair Coffman, and Members
of the Committee.

The Department of Business, Economic Development and Tourism
(DBEDT) supports SB1675 SD2. SB 1675 SD2 permits existing net
energy metered customers to remain with the current net metering
program once alternative credits or compensation mechanisms are
created and implemented by the Public Utilities Commission to
compensate customer-generators for power produced and exported to
the utility grid. DBEDT believes that net energy metering is an
effective tool in promoting customer-sited renewable energy
resources as evident by the significant increases in the number
of net energy metered customers across all islands since 2001
when NEM first became a law.

Bill No. 1675

SUNPOWER

Y N

Date 3/16/09

Room # 325 8:30 AM March 17, 2009

Time 1700

House Committee on Energy and Environmental Protection
SB1675,SD2 RELATING TO RENEWABLE ENERGY

Cat AF AS A: B C

Type 1 2 WI

Chair Morita, Vice-Chair Coffman and Committee Members:

Introduction: My name is Riley Saito Senior Manager, Hawaii Projects for the SunPower Systems Corporation. Thank you in advance for accepting these few comments on **SB1675, SD2**.

SunPower Systems Corporation ("SunPower") is in the business of designing, manufacturing, and delivering the highest efficiency solar electric technology worldwide. One of our latest projects was the 1.2 megawatt La Ola solar farm on Lanai with Castle & Cooke Hawaii. SunPower has been a member of the Hawaii Energy Policy Forum since it convened in 2003 and a member of the Energy Generation working group for the HCEI over the past year. SunPower is also a member of the Solar Alliance which is an intervenor in the Feed-in Docket Investigation at the Hawaii Public Utilities Commission. In the Feed-in Docket some parties have proposed the elimination of net metering ("NEM"). SunPower strongly opposes the elimination of net metering.

Therefore, SunPower strongly supports SB1675, SD2 and proposes the following amendments to strengthen the bill's purpose of accelerating the penetration of renewable energy in Hawaii: HRS 269-110(b) should be amended to read:

If the public utilities commission, at any time, establishes alternative mechanisms for crediting or otherwise compensating eligible customer-generators for exported power, eligible customer-generators ~~with existing net metering contracts~~ shall have the option of maintaining ~~these existing~~ or entering into new net metering contracts rather than being limited to converting to new alternative credits or compensations mechanisms.

The proposed amendment is consistent with Exhibit A of the Hawaii Clean Energy Agreement which allows for the continuation of the net metering program in Hawaii both for existing and future eligible customer-generators.

NEM has a proven track record in Hawaii and, thus, in order to meet the renewable energy goals laid out in the HCEI, we must continue to support net metering. Thus, the proposed amendment ensures that current and future customer-generators will always have NEM as an option.

NEM induces more entities to install renewable energy systems and reduce their demands on the power grid. This is an important step that will help enable the state to reach its ambitious clean energy goals.

Mahalo for the opportunity to submit testimony.

**DOWLING
COMPANY, INC**

Room # 325 8:30 AM March 17, 2009
SB1675,SD2 RELATING TO RENEWABLE ENERGY

Bill No. 1675
Support Y N
Date 3/16/09
Time 1726
Cat AF AS AX BC
Type 1 2 WI

Chair Morita, Vice-Chair Coffman and Committee Members:

Introduction: My name is Jennifer Stites and I am the Green Development Manager for Dowling Company, Inc. ("DCI"). DCI is a Maui-based real estate development company that is committed to sustainable development. To guide this effort and determine our performance metrics, we have adopted the nationally recognized U.S. Green Building Council's ("USGBC") Leadership in Energy and Environmental Design ("LEED") rating system. We are especially proud and excited that DCI's first USGBC LEED certified project was our own office located in Wailuku, Maui. Our office was also the first USGBC LEED certified office on Maui. Thank you in advance for accepting these few comments on **SB1675, SD2**.

DCI strongly opposes the elimination of net metering. Therefore, DCI strongly supports SB1675, SD2 and proposes the following amendments to strengthen the bill's purpose of accelerating the penetration of renewable energy in Hawaii: HRS 269-110(b) should be amended to read:

If the public utilities commission, at any time, establishes alternative mechanisms for crediting or otherwise compensating eligible customer-generators for exported power, eligible customer-generators ~~with existing net metering contracts~~ shall have the option of maintaining these existing or entering into new net metering contracts rather than being limited to converting to new alternative credits or compensations mechanisms.

The proposed amendment is consistent with Exhibit A of the Hawaii Clean Energy Agreement which allows for the continuation of the net metering program in Hawaii both for existing and future eligible customer-generators.

NEM has a proven track record in Hawaii and, thus, in order to meet the renewable energy goals laid out in the HCEI, we must continue to support net metering. Thus, the proposed amendment ensures that current and future customer-generators will always have NEM as an option.

NEM induces more entities to install renewable energy systems and reduce their demands on the power grid. This is an important step that will help enable the state to reach its ambitious clean energy goals.

Thank you for the opportunity to submit testimony.

HAWAII RENEWABLE ENERGY ALLIANCE

46-040 Konane Place #3816, Kaneohe, HI 96744 – Telephone/FAX: 247-7753 – Email: wsb@lava.net

Bill No. 1675

Support (Y) N

Date 3/16/09

Time 2035

Cat AF AS AX (B) C

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TESTIMONY OF WARREN BOLLMEIER ON BEHALF OF THE HAWAII RENEWABLE ENERGY ALLIANCE BEFORE THE HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

SB 1675 SD2, RELATING TO RENEWABLE ENERGY

March 17, 2009

Chair Morita, Vice-Chair Coffman 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 Hawaii's energy future. 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 and the electric utilities to encourage increased use of renewables in Hawaii.

The purpose of SB 1675 SD2 is to permit existing net metered customers to remain with net metering program once alternative credits or compensation mechanisms are created. Prohibits electric utility from unreasonably denying, burdening, or delaying net energy metering contracts.

HREA **supports** this bill with the following comments and **proposed revision**:

- (1) Value of Net Metering. Originally created by the legislature in 1996 and revised several times since then, net metering has begun to thrive over the past several years, in combination with the availability of our state and federal tax credits. Thus, why discontinue a policy that is actually working?
- (2) Continuation of Net Metering and Proposed Revision. Thus, this bill should send a strong policy message to our Public Utilities Commission that net metering should continue, not only for existing net metered systems, but for all customers that would seek to enter into a net metering agreement in the future. To ensure both these options HREA proposes that HRS 269-110(b) as proposed in SB 1675 SD2, be amended to read:

"If the public utilities commission, at any time, establishes alternative mechanisms for crediting or otherwise compensating eligible customer-generators for exported power, eligible customer-generators with existing net metering contracts shall have the option of maintaining these existing or entering into new net metering contracts rather than being limited to converting to new alternative credits or compensations mechanisms.

Thank for this opportunity to testify.



Bill No. 1675

Support (Y) N

Date 3/16/09

Time 1337

Cat AF AS AX (B) C

Type 1 (2) WI

HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION
March 17, 2009, 8:30 A.M.
Room 325

(Testimony is 2 pages long)

TESTIMONY IN SUPPORT OF SB 1675 SD2, SUGGESTED AMENDMENT

Chair Morita and members of the committee:

The Blue Planet Foundation supports Senate Bill 1675 SD2, clarifying Hawaii's successful and popular net energy metering law. **While we support the language in the existing draft, we would prefer that this measure be amended to include the language in the Senate Draft 1 of the bill, expanding net metering to foster more home-grown, clean energy.**

After wisely being passed in 2001, net energy metering slowly began with a handful of renewable energy generators. As more homeowners learn about the program and its impacts on the payback period for renewable energy devices, the subscription rate has dramatically increased. In fact, we may be nearing a "tipping point" where many residential customers invest in renewable energy devices because of their relative cost (see image on the second page of this testimony) and environmental advantages.

Senate Bill 1675 SD2 should pick up where prior legislation left off—increasing the total amount of net metered energy on the grid. We ask this committee to amend SB1675 SD2 to:

- Eliminate the system cap, allowing more customers to plug in to the grid and run their meters backward.
- Increase the allowable system size on the grid from 100kW to 1 MW, allowing larger systems to net meter. This is similar to what California and other states have enacted. Similarly, Arizona has no system size caps, but they limit the size to 125% of customer's total connected electric load. This ensures that customers don't purposely oversize their systems and take advantage of net energy metering instead of becoming independent power producers.

The benefits of expanding net energy metering are numerous:

- Private individuals invest in the power plants of tomorrow—instead of ratepayers. Each new installed system can reduce the need to construct massive, expensive power plants, with all of their associated siting, environmental, and financial impacts. Private

Jeff Mikulina, executive director • jeff@blueplanetfoundation.org

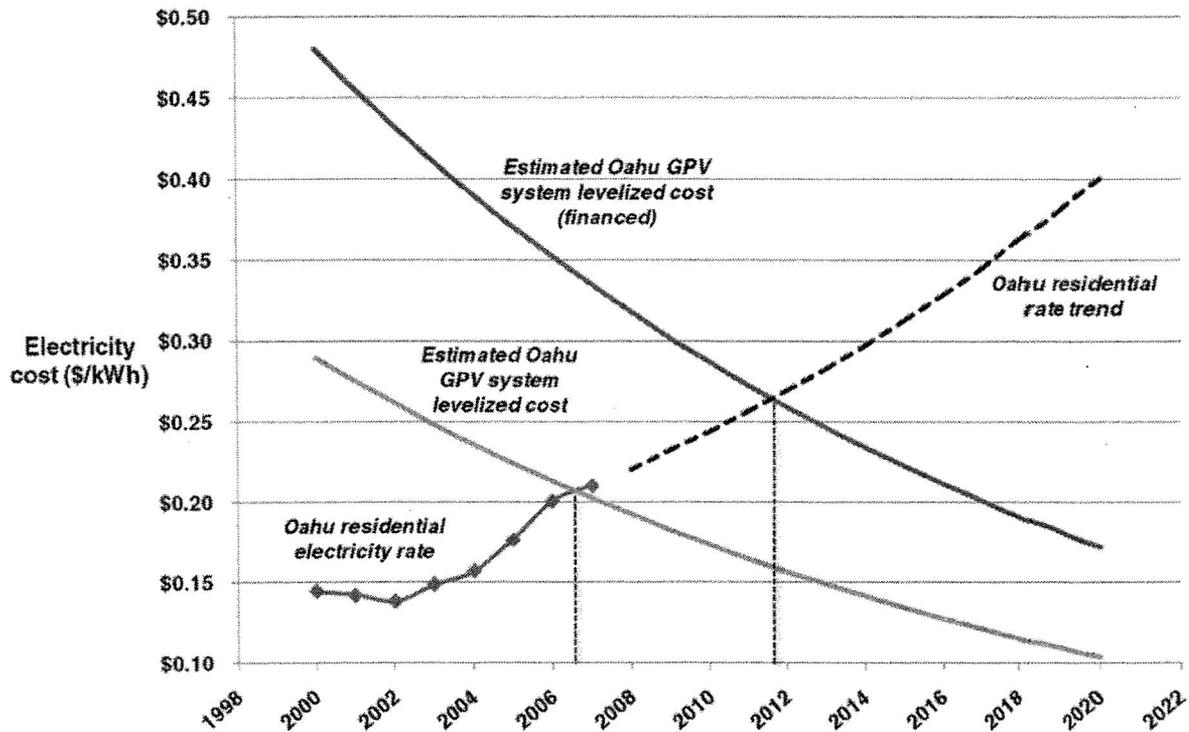
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investors take on the risk of such investments, not ratepayers such as families and businesses.

- Diversified and decentralized power strengthens the power grid, providing more buffering from blackouts, oil price spikes, and accidents.
- Decentralized power reduces the need for powerlines.
- The allowable net energy systems in this program are clean and have less impact on Hawaii's environment than coal and oil-fired powerplants.
- Growth in the renewable energy industry in Hawai'i creates jobs and high-tech business opportunities—diversifying Hawai'i's economy.
- A clean kilowatt from photovoltaic systems or other clean energy devices is worth much more for Hawai'i than a dirty kilowatt from fossil fuel-fired powerplants. We should ensure that it is given at least as much value on the market.

Please amend SB 1675 SD2 to help accelerate the adoption of photovoltaic and other clean energy devices by increasing the availability of net energy metering in Hawai'i.

Thank you for the opportunity to testify.



Estimated cost trends of grid electricity versus residential photovoltaic electricity over time