STAND. COM. REP. NO. 26



Honolulu, Hawaii FEB - R 2010

RE: S.B. No. 2332

S.D. 1

Honorable Colleen Hanabusa President of the Senate Twenty-Fifth State Legislature Regular Session of 2010 State of Hawaii

Madam:

Your Committee on Energy and Environment, to which was referred S.B. No. 2332 entitled:

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

begs leave to report as follows:

The purpose of this measure is to direct the Public Utilities Commission to enact an on-bill financing program whereby residential electric utility customers may finance purchases of energy efficient or renewable energy devices and systems through their regular electric utility bills.

Testimony in support of this measure was submitted by three organizations. One state agency and three organizations support the intent of the measure, and one state agency submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee recognizes the concerns raised by testifiers regarding the potential cost of administering this program. However, your Committee also recognizes that the Hawaiian Electric Company recently completed a two-year SolarSaver Pilot Program for solar hot water systems and the Kauai Island Utility Cooperative has implemented a successful on-bill financing program. These successful programs demonstrate why this approach is beneficial. Empirical studies examining the purchase of energy-saving devices reveal that high initial investment costs foster a tendency to avoid energy saving innovations, regardless of the potential

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future money savings from reduced energy usage. On-bill financing, which has been used in Massachusetts, Rhode Island, Connecticut, and California, is a way for consumers to install energy efficient devices and stay within their monthly budgets. This measure can help Hawaii toward its goal of moving toward greater energy efficiency and renewable energy technologies.

Your Committee has amended this measure by addressing the concerns of the Hawaii Association of Realtors to clarify that the device or system purchased pursuant to this measure shall remain on the property after a sale, lease, or transfer unless the residential electric utility customer complies with certain conditions.

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. 2332, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2332, 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.:* SB 2332	Committee ENE,			ate: 28 Jan	-2010
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)		1.			
ENGLISH, J. Kalani (VC)					
GREEN, M.D., Josh					
HOOSER, Gary L.					
IHARA, Jr., Les					
KOKUBUN, Russell S.					
HEMMINGS, Fred					
100 100 100 100 100 100 100 100 100 100					
TOTAL		Ч			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					