STAND. COM. REP. NO.

Honolulu, Hawaii

FEB 2 6 2010

RE: S.B. No. 2858 S.D. 2

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

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 2858, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO RETAIL WHEELING,"

begs leave to report as follows:

The purpose of this measure is to allow the Public Utilities Commission to allow independent producers of renewable energy operating on state lands to sell electricity directly to state government entities located on the same island.

Your Committee received testimony in support of this measure from the Hawaii Solar Energy Association and the Hawaii Renewable Energy Alliance. Testimony in opposition to this measure was received from Kauai Island Utility Cooperative and Hawaiian Electric Company. Testimony with comments was received from the Public Utilities Commission and Tawhiri Power LLC. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will help to catalyze innovation in the renewable energy marketplace by creating a new, competitive market for renewable energy products. Your Committee further finds that this measure will result in savings to state and county agencies that are able to comparison shop when making energy purchasing decisions.

Your Committee notes the testimony of the Public Utilities Commission (PUC) that the PUC currently has an open docket



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available in December of this year on the implementation of intragovernmental wheeling of electricity. Your Committee finds that this is an appropriate venue to consider the sale of electricity to government agencies and, therefore, supports the position of the PUC that consideration and discussion of this measure shall be added to that docket.

Your Committee has amended this measure by:

- Expressing support for the PUC's position that discussion of this issue is appropriate for the alreadyscheduled December 2010 docket;
- Eliminating the deadline for the establishment of policies and rules to implement retail wheeling;
- (3) Clarifying that the PUC shall implement retail wheeling by rule, policy, and order;
- (4) Changing its effective date to July 1, 2050 to encourage further discussion; and
- (5) Making technical, nonsubstantive changes for the purposes of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2858, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2858, S.D. 2.

> Respectfully submitted on behalf of the members of the Committee on Commerce and Consumer Protection,

Konly & Bake

ROSALYN H. WAKER, Chai



The Senate Twenty-Fifth Legislature State of Hawaii

Record of Votes Committee on Commerce and Consumer Protection CPN

	Committee Referral:Date:ENE, CPN2/24/2010			010
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
BAKER, Rosalyn H. (C)				
IGE, David Y. (VC)				
ESPERO, Will				
GREEN, M.D., Josh				
IHARA, Jr., Les				
SAKAMOTO, Norman				1
HEMMINGS, Fred				
TOTAL	5	Ð	D	٢
Recommendation:				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				
*Only <u>one</u> measure per Record of Votes				