

Honolulu, Hawaii

FEB 20 2009

RE: S.B. No. 461

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 S.B. No. 461 entitled:

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

begs leave to report as follows:

The purpose of this measure is to remove the dependency of the price of electrical energy generated from nonfossil fuel sources from the avoided cost of energy generated by the electric public utility purchasing the nonfossil fuel generated electricity.

Testimony in support of this measure was submitted by six private organizations. Testimony in support, with comments, was submitted by two state departments and two private organizations. Comments were submitted by one state department. Copies of written testimony are available for review on the Legislature's website.

The measure de-links power purchasing rates payable by a utility for nonfossil fuel generated electricity from the price of fossil fuels. Specifically, the measure amends section 269-27.2, Hawaii Revised Statutes, by deleting the limitation on a utility's power purchasing rates to no more than one hundred per cent of the cost avoided by the utility when the utility purchases the electricity rather than producing it.

Your Committee finds that the amendments proposed in this measure will significantly reduce any linkages between the




volatile prices of fossil fuels and the rate for nonfossil fuel generated electricity, potentially enabling utility customers to share in the benefits of price stability and fuel cost savings resulting from the use of nonfossil fuel generated electricity.

Your Committee has amended this measure by adopting the recommendations of several testifiers to revise the definition of "cost-effective" in section 269-91, Hawaii Revised Statutes, to be consistent with the amendments proposed in this measure.

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. 461, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 461, 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.:* <div style="font-size: 1.2em; font-family: cursive;">SB 461</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">ENE, CPN</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">12 Feb 2009</div>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	✓			
ENGLISH, J. Kalani (VC)	✓			
GREEN, M.D., Josh	✓			
HOOSER, Gary L.	/			
IHARA, Jr., Les	/			
KOKUBUN, Russell S.	/			
HEMMINGS, Fred	/			
TOTAL	7		0	
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive; margin-left: 20px;">J. Kalani English</div>				
Distribution: <div style="display: flex; justify-content: space-between; font-size: 0.8em; margin-top: 5px;"> <div>Original File with Committee Report</div> <div>Yellow Clerk's Office</div> <div>Pink Drafting Agency</div> <div>Goldenrod Committee File Copy</div> </div>				

*Only one measure per Record of Votes