STAND. COM. REP. NO. 527

Honolulu, Hawaii

MAR 0 3 2011

RE: S.B. No. 1346

S.D. 2

Honorable Shan S. Tsutsui President of the Senate Twenty-Sixth State Legislature Regular Session of 2011 State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 1346, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO RENEWABLE PORTFOLIO STANDARDS,"

begs leave to report as follows:

The purpose of this measure is to amend the definition of "renewable electrical energy" to include, beginning January 1, 2015, net electricity delivered from customer-sited, grid-connected renewable energy generation. The intent of this measure is to clarify how customer-sited, grid-connected renewable energy generation will be treated starting in 2015, when electrical energy savings will no longer count toward a utility's renewable portfolio standards.

Your Committee received testimony in opposition to this measure from Hawaiian Electric Company, Inc. Your Committee received comments on this measure from the Public Utilities Commission.

Your Committee heard testimony in support of restoring the original language of this measure to allow for the inclusion of all renewable energy providers in the renewable portfolio standards calculations. Your Committee finds that by allowing for the inclusion of all renewable energy providers in the renewable portfolio standards calculations, utilities will have a greater incentive to support and encourage customer-sited, grid-connected renewable energy generation.

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Accordingly, your Committee has amended this measure by:

- (1) Expanding the definition of "renewable electrical energy" to include, beginning January 1, 2015, customer-sited, grid-connected renewal energy generation by all renewable energy providers, rather than by only net electricity providers; and
- (2) Making this measure effective upon approval.

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. 1346, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1346, S.D. 2.

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

ROSALYN H. BAKER, Chair

## The Senate Twenty-Sixth Legislature State of Hawai'i

## Record of Votes Committee on Commerce and Consumer Protection CPN

| Bill / Resolution No.:*  | Committee  | Referral: | Da                              |           |         |
|--|--|-----------|---------------------------------|-----------|---------|
| 5B 1346 SDI  | ENE  | CPN       |                                 | 2-24-     | -11     |
| 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)  |  |           |                                 |           |         |
| TANIGUCHI, Brian T. (VC)   |  |           |                                 |           |         |
| GALUTERIA, Brickwood   |  |           |                                 |           |         |
| GREEN, M.D., Josh  |  |           |                                 |           |         |
| NISHIHARA, Clarence K.   |  | <b>√</b>  |                                 |           |         |
| SOLOMON, Malama  |  |           |                                 | 2 2 2 3 4 |         |
| SLOM, Sam  | Sambtaz Zengeek Folonia.   |           | Kanaka Sakabaa (kuma : 124 - 11 |           |         |
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|  |  |           |                                 |           |         |
| TOTAL  |  | 4         | 0                               | 0         | 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 |  |           |                                 |           |         |