STAND. COM. REP. NO. 218D

Honolulu, Hawaii

FEB 1 2 2016

S.B. No. 2641 RE: S.D. 1

Honorable Ronald D. Kouchi President of the Senate Twenty-Eighth State Legislature Regular Session of 2016 State of Hawaii

Sir:

Your Committees on Water, Land, and Agriculture and Transportation and Energy, to which was referred S.B. No. 2641 entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC UTILITIES,"

beg leave to report as follows:

The purpose and intent of this measure is to establish preferential rates for the purchase of energy for agricultural activities and to require electric and gas utilities to provide incentives for agricultural customers to acquire energy storage technology to support the viability of agricultural activities in the State.

Your Committees received testimony in support of this measure from the Department of Agriculture; Hawaii Cattlemen's Council, Inc.; Land Use Research Foundation of Hawaii; Hawai'i Farm Bureau; Ulupono Initiative; and one individual.

Your Committees find that reductions to the cost of energy used for agricultural production are beneficial to the State.

Your Committees have heard the Public Utilities Commission's testimony and believes that the Commission should have the flexibility and discretion to select the most efficient and appropriate method to establish preferential rates without going through the formal rulemaking process. Your Committees also find the Ulupono Initiative's suggested amendments appropriate to help stabilize energy consumption demand and to ensure a fair,



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transparent, and non-discriminatory process in the Public Utilities Commission's approval of preferential rates.

Your Committees have therefore amended this measure by:

- Deleting language that would have required the Public Utilities Commission to adopt rules pursuant to chapter 91, Hawaii Revised Statutes;
- (2) Replacing the term "preferential rates" with "preferential off-peak rates";
- (3) Inserting language to require the Public Utilities Commission to notify the public of a request for a preferential off-peak rate, consider public comments, and approve the request only if the Public Utilities Commission determines that the requested preferential off-peak rate will provide benefit to ratepayers through improved system operations or other impacts; and
- (4) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Transportation and Energy that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2641, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2641, S.D. 1, and be referred to your Committee on Commerce, Consumer Protection, and Health.

> Respectfully submitted on behalf of the members of the Committees on Water, Land, and Agriculture and Transportation and Energy,

LORRAINE R. INOUYE, Cha

MIKE GABBARD, Char





The Senate Twenty-Eighth Legislature State of Hawai'i

Record of Votes Committee on Water, Land, and Agriculture WLA

Bill / Resolution No.:*	Committee Referral:			Date:				
SB2641	WLA/TRE, CPH 02-09-16					6		
The Committee is reconsidering its previous decision on this measure.								
The Recommendation is:								
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313								
Members		Aye	Aye (W	/R)	Nay	Excused		
GABBARD, Mike (C)		/						
NISHIHARA, Clarence K. (VC)		1						
DELA CRUZ, Donovan M.								
RIVIERE, Gil						1		
RUDERMAN, Russell E.								
SHIMABUKURO, Maile S.L.	· · · · · · · · · · · · · · · · · · ·	/						
THIELEN, Laura H.		1						
WAKAI, Glenn			<u> </u>			/		
SLOM, Sam		<u> </u>						
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TOTAL	<u> </u>	5	+			4		
Recommendation:								
Chair's or Designee's Signature: Clarence & Sishihma								
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy								

*Only one measure per Record of Votes

The Senate Twenty-Eighth Legislature State of Hawaiʻi

Record of Votes Committee on Transportation and Energy TRE

Bill / Resolution No.:*	Committee Referral: Date:								
SB 2641	2641 WLA/TRE, CPH 2-9-16								
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				
INOUYE, Lorraine R. (C)		V							
GABBARD, Mike (VC)		VI							
CHUN OAKLAND, Suzanne		V,							
ENGLISH, J. Kalani		V							
KIDANI, Michelle N.		1 484	V						
NISHIHARA, Clarence K.		V>							
SLOM, Sam	-	V							
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TOTAL		6		,					
Recommendation:									
Chair's or Designee's Signature:									
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy									

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