

STAND. COM. REP. NO. 133

Honolulu, Hawaii

MAR 06 2015

RE: S.B. No. 715
S.D. 2

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 715, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Increase the renewable portfolio standards for electric utility companies to seventy percent by 2035 and one hundred percent by 2040;
- (2) Define large self-generators, subject large self-generators to applicable renewable standards, and establish large self-generator reporting requirements to the Public Utilities Commission; and
- (3) Require the Public Utilities Commission to report on the cost-effectiveness of renewable portfolio standards to address the impact on renewable energy developer energy prices.

Your Committee received testimony in support of this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs; Hawaiian Electric Company, Inc.; Ulupono Initiative; Blue Planet Foundation; Hawai'i Clean Energy Foundation; Hawaii Solar Energy Association; Pacific Biodiesel Technologies, LLC; Hawaiian Electric Vehicle Network; International Brotherhood of Electrical Workers, Local Union 1260;

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and numerous individuals. Your Committee received testimony in opposition to this measure from the Hawaii Renewable Energy Alliance; Hawaii Independent Energy, LLC; Starwood Hawaii; and one individual. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism; Public Utilities Commission; Kaua'i Island Utility Cooperative; Hawai'i Lodging and Tourism Association; Valley Consulting LLC; Hilton Hawaii; Sheraton Maui Resort and Spa; The Westin Princeville Ocean Resort Villas; and Hawai'i Lodging and Tourism Association, Kaua'i Chapter.

Your Committee finds that the State has implemented energy goals using renewable portfolio standards, which include generating forty percent of the State's electricity from renewable energy by 2030. However, existing law allows most of the State's power to come from fossil fuels in 2030 and beyond. This measure updates and extends Hawaii's clean energy initiative and renewable portfolio standards to ensure maximum long-term benefit to Hawaii's economy and environment.

However, your Committee has heard the concerns that the definition of "large self-generator" as proposed by this measure could include utility customers and off-grid entities and would expand the Public Utilities Commission's jurisdiction to include large self-generators, possibly necessitating additional funding and staff. Your Committee has also heard the concerns that applying renewable standards to large self-generators may have unintended consequences. According to testimony received by your Committee, there are a number of self-generators operating in the State today that produce electricity and waste heat onsite to drastically reduce energy consumption and improve system reliability. Requiring these self-generators to meet the proposed renewable standards may reduce the economic benefit of these projects.

Your Committee has also heard the concerns that reaching the one hundred percent renewable portfolio standard by 2040 may be very aggressive, as the final thirty percent must be achieved in a five-year time frame. Your Committee finds that a more appropriate date for the one hundred percent target may be 2050.

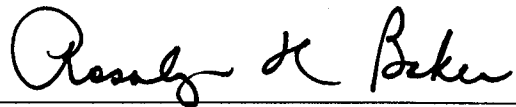
Accordingly, your Committee has amended this measure by:



- (1) Deleting the definition of "large self-generators" and all other references associated with large self-generators;
- (2) Extending the one hundred percent renewable portfolio standard date for electric utility companies to December 31, 2050, rather than December 31, 2040;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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. 715, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 715, 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-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* SB 715 SDI	Committee Referral: ENE, CPN	Date: 3/4/15		
<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
BAKER, Rosalyn H. (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
KAHELE, Gilbert				✓
KIDANI, Michelle N.	✓			
NISHIHARA, Clarence K.				✓
WAKAI, Glenn	✓			
SLOM, Sam				✓
TOTAL	4	0	0	3
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="display: flex; justify-content: space-between; font-size: small;"> <div style="text-align: center;"> Distribution: Original File with Committee Report </div> <div style="text-align: center;"> Yellow Clerk's Office </div> <div style="text-align: center;"> Pink Drafting Agency </div> <div style="text-align: center;"> Goldenrod Committee File Copy </div> </div>				

*Only one measure per Record of Votes