

Honolulu, Hawaii February 10, 2017

RE: H.B. No. 1280 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2017 State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 1280 entitled:

"A BILL FOR AN ACT RELATING TO ENERGY MODERNIZATION AT THE DEPARTMENT OF EDUCATION,"

begs leave to report as follows:

The purpose of this measure is to promote energy modernization in Hawaii by:

- Allowing the Department of Education to establish electric microgrids at public schools and other properties owned, leased, or controlled by the Department; and
- (2) Exempting these microgrids from regulation by the Public Utilities Commission.

The Department of Education, OpTerra Energy Services, and a concerned individual supported this measure. The Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company opposed the measure. The Public Utilities Commission and Life of the Land submitted comments.

Your Committee has amended this measure by deleting its contents and instead require the Public Utilities Commission to:



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- Study and determine a reasonable microgrid rate schedule, based on specified goals, that the Department of Education may charge to users of its microgrid;
- (2) Study and determine a fair and reasonable amount that an electric utility company may assess the Department of Education for using the electrical infrastructure of the electric utility company, including maintenance costs or any electricity produced by the electric utility company, if applicable;
- (3) Establish oversight policies for any microgrid projects that the Department of Education may establish that extend beyond lands and buildings owned and controlled by the Department; and
- (4) Technical substantive amendments were made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1280, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1280, H.D. 1, and be referred to your Committee on Education.

> Respectfully submitted on behalf of the members of the Committee on Energy & Environmental Protection,

CHRIS LEE, Chair



State of Hawaii

House of Representatives The Twenty-ninth Legislature

Record of Votes of the Committee on Energy & Environmental Protection

	nmittee Referral: EP, EDN, CPC	Date:	2/9/1	1	
θ The committee is reconsidering its previous decision on the measure.					
The recommendation is to: θ Pass, unamended (as is) X Pass, with amendments (HD) θ Hold					
θ Pass short form bill with HD to recommit for future public hearing (recommit)					
EEP Members	Ayes	Ayes (WR)	Nays	Excused	
1. LEE, Chris (C)			. a		
2. LOWEN, Nicole E. (VC)					
3. CULLEN, Ty J.K.					
4. EVANS, Cindy			n de la companya de El companya de la com El companya de la com		
5. ICHIYAMA, Linda					
6. KONG, Sam Satoru				<u> Antonio – Christian (Birling)</u>	
7. SAY, Calvin K.Y.	na – ve se produktion stranger name and se set i save i				
8. YAMANE, Ryan I.					
9. FUKUMOTO, Beth				· · ·	
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TOTAL (9)	7	Ø	2	Ø	
The recommendation is: X Adopted θ Not Adopted If joint referral,					
Vice Chair's or designee's signature Mindle & Lowen					
Distribution: Original (White) - Committee	Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				