

STAND. COM. REP. NO.

3144

Honolulu, Hawaii

MAR 23 2018

RE: H.B. No. 2249
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committees on Transportation and Energy and Commerce, Consumer Protection, and Health, to which was referred H.B. No. 2249, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO ELECTRIC GRID RESILIENCY,"

beg leave to report as follows:

The purpose and intent of this measure is to enhance the State's electric grid resiliency by:

- (1) Encouraging investment in energy efficiency through the creation of a sub-fund under the green energy market securitization loan fund, to be used as a revolving line of credit, for any state agency or department to obtain low-cost financing to install energy-efficiency measures; and
- (2) Promoting funding of critical infrastructure by:
 - (A) Creating a grid resilience task force to identify critical infrastructure needs;
 - (B) Establishing a grid resiliency rebate program to encourage funding for critical infrastructure; and



- (C) Directing government agencies and public utilities to incorporate grid resiliency into their planning.

Your Committees received testimony in support of this measure from Tesla, Organizing for Action, Hawaii Solar Energy Association, 350Hawaii.org, 350.org, O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i, Sierra Club of Hawaii, Sierra Student Coalition, and twenty individuals. Your Committees received testimony in opposition to this measure from Hawaiian Electric Company, Inc. Your Committees received comments on this measure from the Department of Budget and Finance; Department of Business, Economic Development, and Tourism; Department of Commerce and Consumer Affairs Division of Consumer Advocacy; Hawaii Green Infrastructure Authority; Public Utilities Commission; Tax Foundation of Hawaii; Life of the Land, Ulupono Initiative; and Distributed Energy Resources Council of Hawaii.

Your Committees find that as an island state, Hawaii is particularly susceptible to natural disasters. A resilient electric grid is a critical component to the State's ability to overcome a natural disaster. However, your Committees heard testimony expressing concern about how this measure approaches grid resiliency. In particular, there was concern about the state of the green energy market securitization loan fund, as well as whether the rebate program proposed in this measure would effectively improve grid resiliency. Your Committees believe that a careful assessment of how to best implement grid-resiliency policies should be done before expanding the green energy market securitization program and establishing a new rebate program.

Your Committees note that S.B. No. 2910, S.D. 2 (Regular Session of 2018), which was previously passed by the Senate, creates a council tasked with evaluating appropriate strategies to enhance grid resiliency.

Accordingly, your Committees have amended this measure by:

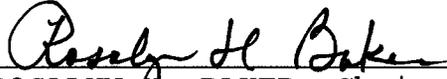
- (1) Deleting its contents and inserting the contents of S.B. No. 2910, S.D. 2, which establishes a homeland security and resiliency council that shall:



- (A) Establish strategies, goals, priorities, and recommendations to enhance the security and resiliency of the electric grid and other critical infrastructure sectors in the State; and
 - (B) Assess the capacity and availability of existing resources and identify new sources of revenue necessary to enhance resiliency of critical infrastructure sectors;
- (2) Inserting an effective date of January 1, 2100, to encourage further discussion; and
 - (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2249, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2249, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Transportation
and Energy and Commerce,
Consumer Protection, and
Health,



ROSALYN H. BAKER, Chair



LORRAINE R. INOUE, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Transportation and Energy
TRE

Bill / Resolution No.:* HB 2249 HD2	Committee Referral: TRE/CPH, WAM	Date: 3/19/2018		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
INOUE, Lorraine R. (C)	X			
ESPERO, Will (VC)	X			
ENGLISH, J. Kalani				X
HARIMOTO, Breene				X
SHIMABUKURO, Maile S.L.	X			
TOTAL	3			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Will Ege</div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

