STAND. COM. REP. NO. 3143

Honolulu, Hawaii

MAR 2 3 2018

RE: H.B. No. 2460 H.D. 2

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. 2460, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO MICROGRIDS,"

beg leave to report as follows:

The purpose and intent of this measure is to develop and refine the State's microgrid technologies and policies by establishing a microgrid demonstration project at the Natural Energy Laboratory of Hawaii Authority.

Your Committees received testimony in support of this measure from Natural Energy Laboratory of Hawaii Authority, Life of the Land, Hawaii Solar Energy Association, Ulupono Initiative, Organizing for Action, 350Hawaii.org, Oahu County Committee on Legislative Priorities of the Democratic Party of Hawaii, Sierra Club of Hawaii, Sierra Student Coalition, and eleven individuals. Your Committees received testimony in opposition to this measure from Hawaiian Electric Company, Inc. Your Committees received comments on this measure from the Public Utilities Commission.

Your Committees find that microgrids offer the potential to aggregate pockets of load and generation resources that can disconnect and reconnect to the larger grid in times of emergency. Your Committees note that the Natural Energy Laboratory of Hawaii Authority (NELHA) is the optimal choice to perform a microgrid

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demonstration project, as the implementation of microgrid technology is a key component of NELHA's Distributed Energy Resources strategy and master plan. Testimony from NELHA further emphasized the benefits of housing the demonstration project at NELHA, including NELHA's physical infrastructure and location and the relationships NELHA has already developed with other organizations. Testimony from NELHA also emphasized the need to establish the site as a demonstration project in order to gain better leverage when applying for grants.

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. 2460, H.D. 2, and recommend that it pass Second Reading 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,

The Senate Twenty-Ninth Legislature State of Hawaiʻi

Record of Votes Committee on Transportation and Energy TRE

Bill / Resolution No.:*	Committee	Reterral:	Date:							
HB 2460 HD2	TRE/U	3/19/2018								
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 (W	R)	Nay	Excused				
INOUYE, Lorraine R. (C)		X								
ESPERO, Will (VC)		X								
ENGLISH, J. Kalani						X				
HARIMOTO, Breene						X				
SHIMABUKURO, Maile S.L.		*								
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TOTAL		3			<u>-</u>	2				
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										

The Senate Twenty-Ninth Legislature State of Hawai'i

Record of Votes Committee on Commerce, Consumer Protection, and Health CPH

Bill / Resolution No.:*	Committee Referral: Date:									
HB 2460 HD2	TRE/CPH, WAM 3/19/18				<i>შ</i>					
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 (W	/R)	Nay	Excused				
BAKER, Rosalyn H. (C)						-				
TOKUDA, Jill N. (VC)										
CHANG, Stanley										
ESPERO, Will		/								
IHARA, Jr., Les		/								
NISHIHARA, Clarence K.										
RUDERMAN, Russell E.										
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TOTAL		5	:			2				
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										

*Only one measure per Record of Votes