

STAND. COM. REP. NO. 1197-20

Honolulu, Hawaii

JUN 24 , 2020

RE: S.B. No. 2629
S.D. 2
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred S.B. No. 2629, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE ENVIRONMENT,"

begs leave to report as follows:

The purpose of this measure is to require state agencies to participate in a carbon offset program to offset carbon emissions caused by their employees' air travel.

Your Committee receive comments on this measure from the State Procurement Office.

Prior to decision making on this measure, your Committee posted and made available for public review a proposed H.D. 1, which amends this measure by deleting its contents and replacing them with language that:

- (1) Prohibits the Public Utilities Commission (PUC) from approving, after June 30, 2020, a new, modified, or renewed power purchase agreement for electricity generated from coal; and
- (2) Prohibits the Department of Health from issuing or renewing, after December 31, 2022, covered source air

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permits for coal-burning electricity generation facilities.

Your Committee received testimony in support of the proposed H.D. 1 from the Hawaii State Energy Office, Elemental Excelerator, Sierra Club of Hawaii, Blue Planet Foundation, 350Hawaii.org, Hawaii Youth Climate Coalition, IMUAlliance, Kauai Women's Caucus, Young Progressives Demanding Action, Pele Lani Farm LLC, and numerous individuals. Your Committee received comments on the proposed H.D. 1 from the Department of Health; Department of Commerce and Consumer Affairs; Public Utilities Commission; and Hawaiian Electric Company, Inc.

Your Committee finds that while coal is currently used to generate electricity on the island of Oahu, the power purchase agreement between the coal plant and the electric utility is set to expire in 2022. The electric utility has publicly stated that it does not intend to extend the contract with the coal plant beyond 2022. The electric utility has stated that the large power plant, with a relatively inflexible power output, is ill-suited for a small island electricity grid that increasingly relies on renewable energy. Your Committee further finds that coal power, as one of the dirtiest fossil fuels, has no role in Hawaii's clean energy future and that this measure will ensure that the use of coal in Hawaii for electricity production is eliminated.

Your Committee has amended this measure by adopting the proposed H.D. 1 and further amending it by:

- (1) Specifying that the PUC prohibition on approving a modification of a power purchase agreement applies to coal power purchase agreements that extend the term or increase the amount of generation allowed to be produced under the existing agreement; and
- (2) Making it effective upon approval.

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 S.B. No. 2629, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2629, S.D. 2, H.D. 1, and be referred to your Committee on Finance.



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


NICOLE E. LOWEN, Chair



