

Honolulu, Hawaii

**FEB 04**, 2022RE: H.B. No. 1522  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-First State Legislature  
Regular Session of 2022  
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 1522 entitled:

"A BILL FOR AN ACT RELATING TO CLIMATE MITIGATION,"

begs leave to report as follows:

The purpose of this measure is to require:

- (1) The Public Utilities Commission to develop an estimated social cost of carbon;
- (2) Each regulated electric and gas utility to use the estimated social cost of carbon in that utility's respective integrated resource planning process; and
- (3) The State and University of Hawaii to consider the estimated social cost of carbon in planning new infrastructure and capital improvement projects.

Your Committee received testimony in support of this measure from the Public Utilities Commission, Imua Alliance, and one individual. Your Committee received testimony in opposition to this measure from the Hawaiian Electric Company and one individual. Your Committee received comments on this measure from the Department of the Attorney General, Department of Commerce and



Consumer Affairs, University of Hawai'i System, and Life of the Land.

Your Committee finds that in order for the State to make comprehensive and cost-effective assessments of investments in durable infrastructure projects, the cost of the greenhouse gas emissions associated with that infrastructure should be considered. While an explicit carbon price might be a tax or a fee levied directly on emissions, an implicit carbon price assigns a monetary value on greenhouse gas emissions that can then be factored into decisions as a way to account for climate-related risks and to align state actions with state policies that seek to reduce emissions. Therefore, the adoption of an implicit carbon price will help to guide decisions in the present so that actions taken now are in alignment with the transition to a low-carbon economy.

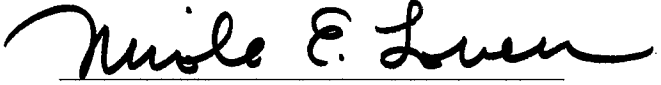
Your Committee has amended this measure by:

- (1) Deleting references to the University of Hawaii;
- (2) Changing the effective date to July 1, 2100, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of 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. 1522, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1522, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.



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

  
NICOLE E. LOWEN, Chair



