

Honolulu, Hawaii

FEB 10 2022

RE: S.B. No. 2171
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Energy, Economic Development, and Tourism,
to which was referred S.B. No. 2171 entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Authorize independent generators of renewable energy to wheel the renewable electricity they produce to users of renewable energy; and
- (2) Require the Public Utilities Commission (PUC) to adopt administrative rules.

Your Committee received testimony in support of this measure from Hawaii Clean Power Alliance, Tawhiri Power LLC, and two individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs' Division of Consumer Advocacy; Hawaii State Energy Office; Public Utilities Commission; Hawaii Electric Company, Inc.; and one individual.

Your Committee finds that, to reach its goal to be one hundred per cent renewable energy by 2045, the State must continue to support established renewable energy sources that do not create significant greenhouse gas emissions and new sources that are emerging from new technological innovations. Retail wheeling



occurs when electric power is transmitted from an independent generator of renewable energy to the facilities of renewable energy users over the existing transmission lines of a third-party electric public utility. According to testimony from the PUC, implementing retail wheeling in the State is an intense process that requires resources that are currently devoted to other priority issues. Your Committee further finds that allowing the enforcement of the retail wheeling by order, as well as through administrative rules, will allow the PUC to effect the intent of this measure more efficiently.

Accordingly, your Committee has amended this measure by:

- (1) Inserting language that protects consumers from substandard services and other potential adverse impacts;
- (2) Allowing the PUC to implement the provisions of this measure by administrative rule or order;
- (3) Delaying the establishment of retail wheeling rules and the submission deadline for the legislative report for one year; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy, Economic Development, and Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2171, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2171, S.D. 1, and be referred to your Committee on Commerce and Consumer Protection.

Respectfully submitted on
behalf of the members of the
Committee on Energy, Economic
Development, and Tourism,



GLENN WAKAI, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Energy, Economic Development, and Tourism
EET

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2171	EET, CPN	1/31/22		
<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
WAKAI, Glenn (C)	✓			
MISALUCHA, Bennette E. (VC)	✓			
LEE, Chris				✓
RIVIERE, Gil	✓			
FEVELLA, Kurt	✓			
TOTAL	4	0	0	1
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;">Bennette E. Misalucha</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