DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813 Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804 Web site: dbedt.hawaii.gov Telephone: (808) 586-2355 Fax: (808) 586-2377

Statement of MIKE MCCARTNEY Director Department of Business, Economic Development, and Tourism before the SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

> Tuesday, March 1, 2022 9:50 AM State Capitol, Conference Room #229 & Videoconference

In consideration of SB 3057, SD1 RELATING TO RENEWABLE PORTFOLIO STANDARDS.

Chair Baker, Vice Chair Chang, and members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) strongly supports this Administrative measure, SB 3057, SD1, that amends the definition of renewable portfolio standard to be a percentage of electrical energy generation, rather than sales.

This bill will simplify the calculation, using renewable generation in the numerator and total generation in the denominator and allow the results of the calculation (the math) to better match Hawai'i's stated energy goal (the language).

Thank you for the opportunity to testify.

MIKE MCCARTNEY DIRECTOR

CHUNG I. CHANG DEPUTY DIRECTOR



DAVID Y. IGE GOVERNOR

JOSH GREEN LT. GOVERNOR

STATE OF HAWAII OFFICE OF THE DIRECTOR DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

335 MERCHANT STREET, ROOM 310 P.O. BOX 541 HONOLULU, HAWAII 96809 Phone Number: 586-2850 Fax Number: 586-2856 cca.hawaii.gov CATHERINE P. AWAKUNI COLÓN DIRECTOR

JO ANN M. UCHIDA TAKEUCHI DEPUTY DIRECTOR

Testimony of the Department of Commerce and Consumer Affairs

Before the Senate Committee on Commerce and Consumer Protection Tuesday, March 1, 2022 9:50 Am Via Videoconference

On the following measure: S.B. 3507, SD1, RELATING TO RENEWABLE PORTFOLIO STANDARDS

Chair Baker and Members of the Committee:

My name is Dean Nishina, and I am the Executive Director of the Department of Commerce and Consumer Affairs' (Department) Division of Consumer Advocacy. The Department supports this administration bill.

The purpose of this bill is to amend the definition of renewable portfolio standard to be a percentage of electrical energy generation, rather than sales, and to require electric utility companies to track and annually report data and trends on customer retention and attrition to further inform the calculation of renewable portfolio standards.

The Department continues to support the State's goal of 100% renewable energy on its electric grids by 2045, and so the Department supports the proposal to modify the existing Renewable Portfolio Standards (RPS) calculation in Hawaii Revised Statutes (HRS) section 269-91 by replacing "sales" with "generation" in the calculation, effective July 1, 2022. This modification will eliminate the existing "loophole" that could allow the State to achieve a 100% RPS but still have a significant contribution from fossil-fueled Testimony of DCCA S.B. 3507, SD1 Page 2 of 2

generation sources, as well as suggest that more than 100% of generation is from renewable energy.

The Department notes how this bill modifies the calculation of the interim 2030 and 2040 calculations and offers that, when the RPS calculation is modified, the corrected calculation will automatically require more grid-connected renewable energy than is currently required.

The Department supports the notion of tracking such data and trends a appreciates how this SD1 version amends the original bill by creating a different section of HRS 269, rather than inserting the proposed language in section 269-92, which the Department believes may clarify that such tracking should be of a general nature.

Thank you for the opportunity to testify, and we respectfully ask the Committee to pass this administration bill.

TESTIMONY OF JAMES P. GRIFFIN, Ph.D. CHAIR, PUBLIC UTILITIES COMMISSION STATE OF HAWAII

TO THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROECTION

March 1, 2022 9:50 a.m.

Chair Baker and Members of the Committee:

MEASURE: S.B. No. 3057, SD1 TITLE: RELATING TO RENEWABLE PORTFOLIO STANDARDS.

DESCRIPTION: Amends the definition of renewable portfolio standard to be a percentage of electrical energy generation, rather than sales. Requires electric utility companies to track and annually report data and trends on customer retention and attrition to further inform the calculation of renewable portfolio standards. (SD1)

POSITION:

The Public Utilities Commission ("Commission") supports this measure and offers the following comments for consideration.

COMMENTS:

The Commission believes that calculating renewable portfolio standard ("RPS") achievement in the manner proposed by this measure will present a more accurate picture of how much of the state's electricity is produced from renewable energy sources, ensuring alignment with the intent of the renewable portfolio standards goals.

The definition proposed in this measure is consistent with the RPS achievement performance incentive mechanism for Hawaiian Electric ("RPS-A PIM") under the performance-based regulation framework, which is calculated as the total system renewable generation divided by total generation of electricity.

The Commission notes that expressing RPS requirements in terms of electricity generation rather than utility sales will require a higher level of renewable generation to

S.B. No. 3057, SD1 Page 2

achieve the same target level. The Commission will continue to support renewable energy efforts and create a regulatory environment that facilitates achievement of the State's energy goals.

Thank you for the opportunity to testify on this measure.



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

DAVID Y. IGE GOVERNOR

SCOTT J. GLENN CHIEF ENERGY OFFICER

235 South Beretania Street, 5th Floor, Honolulu, Hawaii 96813 Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804 Telephone: Web: (808) 587-3807 energy.hawaii.gov

Testimony of SCOTT J. GLENN, Chief Energy Officer

before the SENATE COMMITTEE ON COMMERCE & CONSUMER PROTECTION

Tuesday, March 1, 2022 9:50 AM State Capitol, Conference Room 229 & Videoconference

SUPPORT SB 3057, SD1 RELATING TO RENEWABLE PORTFOLIO STANDARDS.

Chair Baker, Vice Chair Chang, and Members of the Committee, the Hawai'i State Energy Office (HSEO) strongly supports SB 3057, SD1, an Administration measure, which amends the definition of renewable portfolio standard to be a percentage of electrical energy generation, rather than sales, and requires electric utility companies to track and annually report data and trends on customer retention and attrition to further inform the calculation of renewable portfolio standards.

It has been generally understood for several years that the calculation should and must change to be consistent with public understanding, Hawai'i's policies (including the enactment in 2018 of Hawai'i's carbon net negative goal),¹ and increasing concerns over continued reliance on imported fossil fuels.

By making this change now, just after completing the 2020 milestone and several years in advance of the 2030 milestone, it gives a greater degree of clarity and certainty to Hawai'i's electric utilities, as well as to the public, regarding Hawai'i's "100% renewable" objective.

It is important that we make this change at this time. As noted in the bill, it would be possible to reach the "100 per cent renewable portfolio standard" (with the current

¹ <u>Section 225P-5, Hawai'i Revised Statutes</u>.

definition, based on sales) with only 79 per cent of Hawai'i's electricity produced from renewable sources and the other 21 per cent still generated from fossil fuel.

When the original version of the renewable portfolio standards law was enacted, over twenty years ago, there were several competing objectives that led to the bill language as it exists today, in which a formula is used to calculate the renewable energy percentage in a way that does not accurately capture the amount of renewable energy on the system and allows for greater use of fossil fuels. HSEO believes that the more intuitively correct approach to the RPS calculation, in addition to numerous policies, incentives, requirements, and other constraints, will together accelerate the reduction in the use of fossil fuels to generate electricity in Hawai'i.

The Companion bill to this measure, HB2089, HD1, contains additional language pertaining to non-renewable customer sited generation; HSEO concurs with those clarifying revisions.

I thank the Committee for hearing this bill and respectfully request your approval of it. Thank you for the opportunity to testify.



TESTIMONY BEFORE THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

SB 3057 SD1

Relating to Renewable Portfolio Standards

Tuesday, March 1, 2022 09:50 am, Agenda Item #1 State Capitol, Conference Room 229 & Videoconference

> Marc Asano Director, Integrated Grid Planning Hawaiian Electric

Chair Baker, Vice Chair Chang, and Members of the Committee:

My name is Marc Asano and I am testifying on behalf of Hawaiian Electric

Company in opposition to SB 3057 SD1, Relating to Renewable Portfolio Standards.

However, we offer amendments for your consideration.

SB 3057 SD1 amends the definition of renewable portfolio standard for electric utility companies to be a percentage of electrical energy generation, rather than sales.

Hawaiian Electric supports the intent of the bill to change the RPS definition for an electric utility from a percentage of sales to a percentage of generation. However, there are concerns that the change in definition will unfairly penalize Hawaiian Electric if customers choose to generate their own electricity using fossil fuels, as customer-sited fossil fuel generation would count towards total generation, making it impossible for Hawaiian Electric to achieve 100 percent RPS. Today, there are large customers who have on-site generation that use fossil fuels. In the future, this could increase if, for example, renewable energy is more expensive than fossil fuels, and makes economic

Page 2 of 3

sense for large (or residential) customers to therefore supply their own load with fossil fueled generation.

The availability for fossil fuels for use in the State should be addressed at a broader policy level to ensure that transportation, industry, electricity, and other sectors, are mandated to comply with State energy policy.

Hawaiian Electric also notes that changing RPS to a percent of electrical energy generation instead of sales will require more grid-connected renewable energy than is currently required, and should consider other impacts such as customer electricity bills, reliability, and resilience, among others. For example, in 2021, Hawaiian Electric achieved 38 percent RPS as a percentage of sales, which translated to roughly 31.5 percent renewable energy as a percentage of total generation. While we expect to accelerate RPS achievement over the near-term, this bill effectively moves the goalposts on long-term planning that would put Hawaiian Electric at-risk for incurring financial penalties should SB 3057 SD1 be enacted into law as currently written.

Hawaiian Electric also believes this bill is not necessary at this time because under performance based regulation, Hawaiian Electric is incentivized to accelerate renewable energy on an annual basis as a percentage of generation ahead of the RPS milestones under H.R.S. §269-92.

However, Hawaiian Electric offers the following amendments, similar to amendments made in H.B. 2089 HD1 to mitigate concerns related to customer-sited fossil fueled generation (suggested amendments are underlined and bolded):

On page 4, starting on line 15: H.R.S. §269-91 [Definitions.] "Renewable portfolio standard" means the percentage of electrical energy sales generation that is represented by renewable electrical energy, excluding

customer-sited, grid connected generation that does not produce renewable energy.

On page 8 starting on line 16: H.R.S. §269-92 (d) should be amended to capture events or circumstances that are outside of an electric utility company's reasonable control; add the following language: (13) non-renewable energy generated by electric generation facilities where the electric utility otherwise does not have direct control or ownership of, including, merchant or co-generation facilities, independent power producers, government and non-government agencies, and any persons or entities.

Accordingly, Hawaiian Electric opposes SB 3057 SD1 while offering proposed amendments for your consideration. Thank you for this opportunity to testify.

<u>SB-3057-SD-1</u> Submitted on: 2/26/2022 8:00:28 PM Testimony for CPN on 3/1/2022 9:50:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Ted Bohlen	Testifying for Climate Protectors Hawai'i	Support	No

Comments:

To: The Honorable Rosalyn Baker, Chair, The Honorable Stanley Chang, Vice Chair, and members of the Commerce and Consumer Protection Committee:

From: Climate Protectors Hawai'i (by Ted Bohlen)

Re: Hearing SB3057 SD1 RELATING TO RENEWABLE ENERGY.

Tuesday March 1, 2022, 9:50 a.m., by videoconference

Aloha Chair Baker, Vice Chair Chang, and members of the Commerce and Consumer Protection Committee:

The Climate Protectors Hawai'i is a group focused on reversing the climate crisis and encouraging Hawai'i to lead the world towards a safe and sustainable climate and future. **The Climate Protectors Hawai'i STRONGLY SUPPORTS SB3057 SD1!**

This bill would amend the renewable portfolio standard (RPS) definition to more accurately reflect the percentage of renewable energy use in the State, by basing it on generation rather than sales. It would add customer-sited generation distributed energy resources (DER) into the denominator of the RPS calculation. Under the current RPS definition, customer-sited, grid-connected DER is only included in the numerator. This overstates the electric utility's actual progress on renewable energy adoption.

This change is needed to accurately track utilities' renewable energy percentages.

Please pass this bill! Mahalo!

Climate Protectors Hawai'i (by Ted Bohlen)



Email: communications@ulupono.com

SENATE COMMITTEE ON COMMERCE & CONSUMER PROTECTION Tuesday, March 1, 2022 — 9:50 a.m.

Ulupono Initiative <u>supports</u> SB 3057 SD 1, Relating to Renewable Portfolio Standards.

Dear Chair Baker and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food; renewable energy and clean transportation; and better management of freshwater and waste.

Ulupono <u>supports</u> SB 3057 SD 1, which amends the definition of renewable portfolio standard (RPS) to be a percentage of electrical energy generation rather than sales, and requires the electric utility companies to track and annually report data and trends on customer retention and attrition to further inform the calculation of renewable portfolio standards.

Ulupono remains supportive of amending the RPS definition to more accurately reflect the percentage of renewable energy use in the State by including customer-sited generation distributed energy resources (DER) into the denominator of the RPS calculation. Under the current RPS definition, customer-sited, grid-connected DER is only included in the numerator. This overstates the electric utility's actual progress on the State's level of renewable energy adoption. Pursuant to Act 97, SLH 2015 (Act 97), for the year 2020, Hawai'i was to generate 30 percent of the state's electricity from renewable resources. According to Hawaiian Electric's 2020 RPS Status Report, under the current RPS definition, the utility reported a consolidated RPS of 34.5 percent, of which customer-sited generation accounted for 47.3 percent of the total consolidated megawatt hours (MWh) of electrical energy generated from renewable energy sources.¹ In comparison, if the corrected RPS definition was applied for 2020, Hawaiian Electric's consolidated RPS would be 25.6%, 8.9% less than the reported consolidated RPS total for 2020, and 4.4% less than 2020 RPS target established by Act 97.

If passed, this measure would more accurately reflect the legislative intent of Act 97, SLH

Investing in a Sustainable Hawai'i



2015, and would be appropriately aligned with the Public Utilities Commission's (PUC) recent decision in the Performance-Based Regulation docket, to provide the electric utility with financial rewards for exceeding interim year RPS targets based on the corrected RPS percentage.ⁱⁱ

As Hawai'i's energy issues become increasingly complex and challenging, we appreciate this committee's efforts to look at policies that support the continued implementation of renewable energy resources throughout the islands.

Thank you for this opportunity to testify.

Respectfully,

Micah Munekata Director of Government Affairs

ⁱSee Hawai'i Public Utilities Commission, Docket 2007-0008, <u>Hawaiian Electric's 2020 Renewable Portfolio</u> <u>Standard Status Report</u>, filed February 12, 2021.

[&]quot;See Hawai'i Public Utilities Commission, Docket 2018-0088 – Instituting a Proceeding to Investigate Performance Based Regulation, Decision and Order 37507 at 116. "The structure of the [Renewable Portfolio Standard-Accelerated] PIM is as follows...the metric will be the Companies' annual compliance with the RPS (% and year-based milestone), on a consolidated basis. The PIM will utilize a "corrected" methodology, where the RPS will be calculated based on the total system renewable generation divided by total system generation of electricity, rather than division by net sales."

Submitted on: 2/27/2022 5:30:35 AM Testimony for CPN on 3/1/2022 9:50:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Christopher Dean	Testifying for Recycle Hawaii and Clean the Pacific	Support	No

Comments:

Dear Senators, Whatever your deliberations are, on whatever issue you're considering, doing your best to ascertain what the truth is should be everyone's top priority. Accurate data collection is paramount in discerning the truth. SB3057 seeks to do just that. Thank you.

Testimony to Support SB3057 SD1

Aloha,

I am testifying on behalf of Kauai Climate Action Coalition, a group of engaged citizens of diverse ages and background who understand the urgency of action to address the climate crisis. We support SB3057 SD1. This legislation is needed so that the renewable portfolio standard (RPS) more accurately reflects the percentage of renewable energy penetration in the State, ensuring alignment with the intent of the renewable portfolio standards goals.

The bill provides a simple, yet necessary correction to how the RPS is calculated by changing reference to energy "sales" to energy "generation", helping to correct the overestimation of renewable energy produced in the state, and also accounting for energy losses that occur from energy transmission. It is important that this calculation is corrected to ensure that the intended outcome is achieved.

Please support SB3057 SD1. Mahalo.



Testimony to the Committee on Commerce and Consumer Protection Tuesday, March 1, 2022 9:50 AM VIA Video Conference & Conference Room 229, Hawaii State Capitol SB 3057 SD1

Chair Baker, Vice Chair Chang and members of the committee,

Hawaii Clean Power Alliance (HCPA) <u>supports</u> SB 3057 SD1, which amends the definition of renewable portfolio standard to be a percentage of electrical energy <u>generation</u> rather than <u>sales</u>.

Hawaii Clean Power Alliance is a nonprofit alliance organized to advance and sustain the development of clean energy in Hawaii. Our goal is to support the state's policy goal of 100 percent renewable energy by 2045. We advocate for utility-scale renewable energy, which is critical to meeting the state's clean energy and carbon reduction goals.

In introducing this bill, the legislature prudently recognizes that in order to truly meet the 100% Renewable Portfolio Standards (RPS) for electric energy goal of 2045, the calculations and measurement tools used must truly and accurately reflect the achievement in eliminating fossil fuels in electric utilities' generation. The current RPS measurement standard, which relies on <u>sales</u> rather than <u>generation</u>, inflates the achievement number to include energy generated by others. It also eliminates any losses that might occur between generation and the meter, again inflating the number. By simply shifting from <u>sales</u> to <u>generation</u>, these discrepancies are resolved.

The electric utilities company's next milestone for achievement of RPS occurs in 2030, providing time for this adjustment in definition and the current statute provides for provisions for events or circumstances that are beyond an electric utility company's reasonable control.

We ask that the committee pass this bill.

Thank you for the opportunity to testify.

<u>SB-3057-SD-1</u> Submitted on: 2/27/2022 6:08:53 PM Testimony for CPN on 3/1/2022 9:50:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
laurel brier	Testifying for Kauai women's caucus	Support	No

Comments:

Let's get it right! We can't deal with it properly if we are not measuring properly



To:The Senate Committee on Commerce and Consumer ProtectionFrom:Sherry Pollack, Co-Founder, 350Hawaii.orgDate:Tuesday, March 1, 2022, 9:50am

In strong support to SB3057 SD1

Aloha Chair Baker, Vice Chair Chang, and Committee members,

I am Co-Founder of the Hawaii chapter of 350.org, the largest international organization dedicated to fighting climate change. 350Hawaii.org supports **SB3057 SD1** which would amend the renewable portfolio standard (RPS) to more accurately reflect the percentage of renewable energy penetration in the State.

This bill provides a simple, yet necessary correction to how the RPS is calculated by changing reference to energy "sales" to energy "generation", helping to correct the overestimation of renewable energy produced in the state, and also accounting for energy losses that occur from energy transmission. It is important that this calculation is corrected to ensure that the intended outcome is achieved.

But while it is very important to correct this calculation, it is also important to ensure our targets better reflect the current science. The UN IPCC report makes clear we must limit warming to 1.5 degrees Celsius, and that to do this it requires a major and immediate transformation across all sectors to achieve the needed emissions reductions. In light of this scientific information about the climate emergency, we need to accelerate our adoption of renewable energy. That said, we respectfully recommend that the renewable energy target for 2030 be increased from the current 40% to 80% of generation. Accelerating our pathway to transition to 100% renewable energy is not only critically necessary, but doable. We urge you to consider this amendment.

Mahalo for the opportunity to testify in strong support of this very important bill.

Sherry Pollack Co-Founder, 350Hawaii.org

Submitted on: 2/27/2022 10:25:45 AM Testimony for CPN on 3/1/2022 9:50:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Diane Ware	Individual	Support	No

Comments:

Dear Chair and Committee Members,

SB3057 SD1 is needed so that the renewable portfolio standard (RPS) more accurately reflects the percentage of renewable energy penetration in the State, ensuring alignment with the intent of the renewable portfolio standards goals.

- This bill provides a simple, yet necessary correction to how the RPS is calculated by changing reference to energy "sales" to energy "generation", helping to correct the overestimation of renewable energy produced in the state, and also accounting for energy losses that occur from energy transmission. It is important that this calculation is corrected to ensure that the intended outcome is achieved.

I urge you to support this measure,

Diane aware, 99-7815 Kapoha Pl, Volcano Hi 96785

Submitted on: 2/27/2022 12:59:17 PM Testimony for CPN on 3/1/2022 9:50:00 AM

_	Submitted By	Organization	Testifier Position	Remote Testimony Requested
	Mark Hixon	Individual	Support	No

Comments:

Aloha: SB3057 SD1 ensures that the renewable portfolio standard (RPS) more accurately reflects the percentage of renewable energy penetration in Hawaii, ensuring alignment with the intent of the renewable portfolio standards goals. This bill provides a simple, yet necessary correction to how the RPS is calculated by changing reference from energy "sales" to energy "generation," helping to correct the overestimation of renewable energy produced, and also accounting for energy losses that occur during energy transmission. It is important that this calculation is corrected to ensure that the intended outcome is achieved. Mahalo--Mark Hixon

Submitted on: 2/27/2022 1:13:16 PM Testimony for CPN on 3/1/2022 9:50:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
tlaloc tokuda	Individual	Support	No

Comments:

Dear CPN Chair and Committee,

I belong to 350HI and i agree with much of their philosophy and direction. I support SB3057 SD1. This bill will change the Renewable Portfolio Standards so that they are based on electricity generation instead of electricity sales. The current calculation overestimates the amount of renewable energy serving Hawaii's electric utility customers. This change will provide a more accurate picture of how much of the state's electricity is produced from renewable energy sources, ensuring alignment with the intent of the renewable portfolio standards goals. Failure to address these issues creates an incorrect measure of the State's progress toward its goal of one hundred per cent renewable energy.

SB3057 SD1 is needed so that the renewable portfolio standard (RPS) more accurately reflects the percentage of renewable energy penetration in the State, ensuring alignment with the intent of the renewable portfolio standards goals.

This bill provides a simple, yet necessary correction to how the RPS is calculated by changing reference to energy "sales" to energy "generation", helping to correct the overestimation of renewable energy produced in the state, and also accounting for energy losses that occur from energy transmission. It is important that this calculation is corrected to ensure that the intended outcome is achieved.

Mahalo for your considerations.

Tlaloc Tokuda

Kailua Kona HI 96740

<u>SB-3057-SD-1</u> Submitted on: 2/27/2022 1:08:49 PM Testimony for CPN on 3/1/2022 9:50:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Thomas Brandt	Individual	Support	No

Comments:

Support!

<u>SB-3057-SD-1</u> Submitted on: 2/27/2022 5:06:21 PM Testimony for CPN on 3/1/2022 9:50:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Caroline Kunitake	Individual	Support	No

Comments:

I support SB3057 SD1.

Submitted on: 2/27/2022 6:52:31 PM Testimony for CPN on 3/1/2022 9:50:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Beppie Shapiro	Individual	Support	No

Comments:

This bill will correct a mistaken rubric for measuring our progress toward state goals RE transitioning to renewable energy. It's so important to get this right as we chart our way forward. Thank you for the opportunity to provide this testimony.

Submitted on: 2/28/2022 12:26:24 AM Testimony for CPN on 3/1/2022 9:50:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Janet L Pappas	Individual	Support	No

Comments:

Dear CPN Chair Baker, Vice Chair Chang and committee members,

The current method used to calculate the RPS (Renewable Portfolio Standards) is incorrect and overestimates renewable energy sales for Hawaii electric utility customers. The RPS is currently based on electricity sales rather than electricity generation.

Please pass bill SB3057 to correct this calculation error.

Sincerely,

Jan Pappas

Aiea, Hawaii 96701



SB 3057 SD 1 TESTIMONY

To: Committee on Commerce and Consumer Protection Hearing on March 1, 2022 at 9:50 a.m.

From: John Kawamoto

Position: Support

Hawaii was an early adopter of the Renewable Portfolio Standard (RPS) in 2001, and the RPS has been instrumental in moving Hawaii toward renewable energy.

The RPS has been based on net electricity sales since 2001. However, conditions continually change, and new information continually becomes available, so the RPS should be adjusted accordingly. The RPS based on net electricity sales has been found to be misleading because it allows too much fossil fuel to be used. In theory, 100% RPS could be achieved when only 79% of the electricity is renewable and 21% is still fossil fuel.

A switch to net electricity generation, rather than sales, would be a much more accurate representation, transitioning Hawaii more quickly toward its zero emissions goal.

For the foregoing reasons I support the bill.