

STAND. COM. REP. NO.

1073

Honolulu, Hawaii

MAR 03 2023

RE: S.B. No. 1154  
S.D. 2

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committees on Commerce and Consumer Protection and Ways and Means, to which was referred S.B. No. 1154, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

beg leave to report as follows:

The purpose and intent of this measure is to authorize government agencies to wheel electricity over the existing transmission lines of a third-party electric public utility, excluding member-owned cooperatives, that is produced by their own facilities from renewable energy sources to another government agency's facilities, subject to certain restrictions.

Your Committees received testimony in support of this measure from the Ulupono Initiative. Your Committees received testimony in opposition to this measure from Hawaiian Electric and International Brotherhood of Electrical Workers Local Union 1260. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs, Public Utilities Commission, Life of the Land, and Sustainable Energy Hawai'i.

Your Committees find that due to rising energy costs, many state departments and agencies, particularly educational facilities, face severe cost shortfalls prompting a need for emergency appropriations. However, other state facilities generate a surplus of electricity from renewable resources that goes unused, despite being connected to the same electricity grid



as other state facilities that need the electricity. Wheeling occurs when electric power is transmitted from a seller's power generation facility to a customer's power-consuming facilities over the existing transmission lines of a third-party electric public utility. By allowing intragovernmental wheeling, it may encourage government agencies that have excess land or rooftop space at one facility to generate renewable energy on site, even if it cannot all be used at the same location, to reduce the cost of energy overall for state facilities and benefit tax-payers. This measure allows wheeling by government agencies, which promotes energy efficiency.

Your Committees acknowledge the concerns raised in testimony that this measure could impair economic development and cause job displacement. Therefore, amendments to this measure are necessary to address these concerns.

Accordingly, your Committees have amended this measure by:

- (1) Inserting language clarifying that the Public Utilities Commission's docket to determine terms to ensure wheeling is done in the public interest may include:
  - (A) The timely execution of a workforce and community agreement with all stakeholders who may be economically impacted or displaced prior to authorization; and
  - (B) Maintaining compliance with conditions for certain federal funding; and
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1154, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 1154, S.D. 2.



Respectfully submitted on  
behalf of the members of the  
Committees on Commerce and  
Consumer Protection and Ways  
and Means,

  
DONOVAN M. DELA CRUZ, Chair

  
JARRETT KEOHOKALOLE, Chair



The Senate  
 Thirty-Second Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:*	Committee Referral:	Date:
SB1154 SD1	EET/6VO, CPN/WAM	3/1/23


The Committee is reconsidering its previous decision on this measure.  
 If so, then the previous decision was to: \_\_\_\_\_

The Recommendation is:

Pass, unamended 2312    
  Pass, with amendments 2311    
 Hold 2310    
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.	✓			
RICHARDS, III, Herbert M. "Tim"	✓			
AWA, Brenton	✓			
<b>TOTAL</b>	<b>5</b>			

Recommendation:    
 Adopted    
 Not Adopted

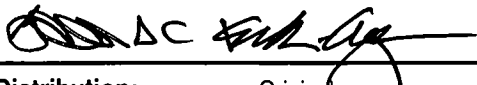
Chair's or Designee's Signature:  


Distribution:    
Original    
Yellow    
Pink    
Goldenrod  
File with Committee Report    
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\*Only one measure per Record of Votes

The Senate  
 Thirty-Second Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>SB 1154 SD1</b>	Committee Referral: <b>EET/GVO, CPN/WAM</b>	Date: <b>3/1/23</b>		
<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
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
AQUINO, Henry J.C.	X			
DECOITE, Lynn	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris	X			
MORIWAKI, Sharon Y.	X			
SHIMABUKURO, Maile S.L.				X
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
<b>TOTAL</b>	<b>12</b>			<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original             Yellow             Pink             Goldenrod File with Committee Report             Clerk's Office             Drafting Agency             Committee File Copy				

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