

Honolulu, Hawaii

MAR 03 2023

RE: S.B. No. 72
S.D. 2

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

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 72, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Beginning July 1, 2023, require the Public Utilities Commission (PUC) to render decisions on certain renewable projects, power purchase agreements, and cost recovery applications within one hundred eighty days of the filing of the application;
- (2) Exempt certain power purchase agreement amendments from the PUC review and approval process in certain circumstances; and
- (3) For ratemaking proceedings, require the PUC to complete its deliberations and issue its decision before six months from the date a public utility has filed its application for approval.

Your Committee received testimony in support of this measure from Hawaiian Electric and one individual. Your Committee received testimony in opposition to this measure from the Environmental Caucus of the Democratic Party of Hawai'i, Life of



the Land, Energy and Climate Action Committee of the Environmental Caucus of the Democratic Party of Hawai'i, Citizens' Caucus, 350Hawaii, Climate Protectors Hawai'i, Americans for Democratic Action, and five individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs and Public Utilities Commission.

Your Committee finds that the timely completion and successful development of renewable energy projects is critically important to meet the State's renewable energy goals and to reduce reliance on fossil fuels, stabilize and reduce the volatility of customers' utility bills, and reduce greenhouse gas emissions. Achieving the State's decarbonization goals requires cooperation between all stakeholders, including public utilities, the PUC, developers, the community, agencies, and regulators. This measure requires the PUC to adhere to certain timelines in rendering decisions for applications for certain renewable projects, power purchase agreements, and cost recovery to better assist the State in meeting its goals.

Your Committee notes the concerns raised in the testimony submitted by the PUC that the time limits proposed by this measure would inhibit the PUC's ability to provide adequate procedural steps, such as holding evidentiary hearings, in considering applications that may require additional time to provide for due process. Additionally, the PUC noted that while it is typically able to complete application decisions in the time limits under existing law, there are exceptional cases that require more time due to delays outside the PUC's control. Therefore, amendments to this measure are necessary to address these concerns.

Accordingly, your Committee has amended this measure by:

- (1) Inserting language clarifying that this measure shall apply to applications filed on or after July 1, 2023;
- (2) Inserting language establishing the procedures and requirements for applications submitted to the PUC after July 1, 2023;
- (3) Inserting language establishing additional conditions that must be satisfied for amendments to a previously

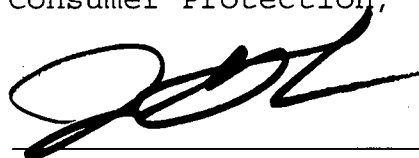


approved power purchase agreement to be exempt from the PUC's approval;

- (4) Inserting language that requires a public utility requesting an amendment to a power purchase agreement to submit an informational filing to the PUC and all original parties;
- (5) Deleting language that would have reduced the deadline for the PUC to complete its decisions concerning ratemaking proceedings from nine months to six months;
- (6) Inserting an effective date of July 1, 2050, to encourage further discussion;
- (7) Amending section 1 to reflect its amended purpose; and
- (8) 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 72, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 72, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,



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.:* SB 72 SD1	Committee Referral: EET, CPN	Date: 2/21/23		
<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
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)		✓		
MCKELVEY, Angus L.K.				✓
RICHARDS, III, Herbert M. "Tim"	✓			
AWA, Brenton			✓	
TOTAL	2	1	1	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes