STAND. COM. REP. NO. 226

Honolulu, Hawaii

FEB 1 3 2024

RE: S.B. No. 3194 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-Second State Legislature Regular Session of 2024 State of Hawaii

Sir:

Your Committee on Energy, Economic Development, and Tourism, to which was referred S.B. No. 3194 entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize independent generators of renewable energy to wheel the renewable electricity they produce to users of renewable energy under administrative rules established by the Public Utilities Commission.

Your Committee received testimony in support of this measure from the Blue Planet Foundation; Hawaii Solar Energy Association, Inc.; Tawhiri Power, LLC; Tigershark, LLC; and one individual.

Your Committee received testimony in opposition to this measure from Kaua'i Island Utility Cooperative.

Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs; Public Utilities Commission; Ulupono Initiative, LLC; and Hawaiian Electric.

Your Committee finds that to achieve the State's renewable energy and resilience goals, the State needs a diverse portfolio of renewable energy assets from a variety of sources and at a variety of scales. Your Committee further finds that through



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retail wheeling, users of renewable energy, including affordable housing developments, the State, and the counties, could acquire clean electricity by purchasing and transmitting it from a clean electricity project developer. This measure authorizes retail wheeling and will support the State in adopting mechanisms to increase competition in local electricity markets, expand customer utility choice, and provide pathways for renewable energy innovation and generation.

Your Committee has amended this measure by:

- Delaying the date by which the Public Utilities Commission shall have established policies and procedures to implement retail wheeling, from 2024 to 2025;
- (2) Inserting an effective date of January 1, 2060, to encourage further discussion; and
- (3) 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. 3194, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3194, 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,

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The Senate Thirty-Second Legislature State of Hawaiʻi

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

Bill / Resolution No.:*	Committee Referral: Date:				
SB3194	EET	<u>г, СР</u>	N/	2-8.	-24
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
DECOITE, Lynn (C)					
WAKAI, Glenn (VC)		\sim			
FUKUNAGA, Carol		\checkmark			
KIM, Donna Mercado					
FEVELLA, Kurt					
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TOTAL	1	4		$ \langle Q \rangle$	\mathcal{D}
Recommendation:	/	ł		- /	1/
Adopted 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 <u>one</u> measure per Record of Votes					