

STAND. COM. REP. NO. **2916**

Honolulu, Hawaii

MAR 01 2024

RE: S.B. No. 3194

S.D. 2

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

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 3194, S.D. 1, 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 Tawhiri Power LLC, Hawaii Solar Energy Association, and Blue Planet Foundation.

Your Committee received comments on this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, Hawaii State Energy Office, Public Utilities Commission, Ulupono Initiative, Kaua'i Island Utility Cooperative, and Hawaiian Electric.

Your Committee finds that retail wheeling, also known as third party access, is when a generator of power, whether an independent power producer, utility, or broker, sells power directly to an end user in another electric utility's territory. Through retail wheeling, a power generator bypasses the end-user's



local electric utility, but uses the electric utility's transmission lines to sell to the electric utility's customer. In return, the power generator pays reasonable compensation to the electric utility for the use of its infrastructure. Your Committee finds that by authorizing retail wheeling for independent renewable energy generators, this measure, in its proposed form, would incentivize the development of more renewable energy projects, such as large solar and windmill farms, create new markets for clean and cost-efficient renewable energy throughout the State, and help Hawaii meet its ambitious renewable energy goals.

Your Committee has amended this measure by:

- (1) Inserting language that requires the Public Utilities Commission to first determine whether retail wheeling is in the public interest and if so determined, adopt administrative rules or establish orders, policies, and procedures to implement retail wheeling;
- (2) Inserting language to require the Public Utilities Commission to submit a report of its decision on retail wheeling, along with its findings and recommendations, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2026;
- (3) Amending section 1 to reflect its amended purpose; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3194, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3194, S.D. 2.



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




JERRETT 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:		
SB3194 SD1	EET, CPN	2/27/24		
<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	3	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