

STAND. COM. REP. NO. 2869

Honolulu, Hawaii

MAR 01 2024

RE: S.B. No. 3195
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. 3195, 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 amend the narrow definition of "renewable energy producer" in section 171-95, Hawaii Revised Statutes (HRS), which allows the Board of Land and Natural Resources to lease public lands to renewable energy producers without public auction, to:

- (1) Incorporate the definition of "renewable energy" as defined in section 269-91, HRS, relating to the State's renewable portfolio standards; and
- (2) Repeal the requirement that the renewable energy producer or developer sell all of the net power produced from the demised public land to an electric utility company regulated under chapter 269, Hawaii Revised Statutes, and all of the thermal energy it produces to customers of district cooling systems.

Your Committee received testimony in support of this measure from the Hawaii State Energy Office and Department of Land and Natural Resources.



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

Your Committee received comments on this measure from the Public Utilities Commission, Hawaiian Electric, and Ulupono Initiative.

Your Committee finds that section 171-95, HRS, allows the Board of Land and Natural Resources to lease public lands to renewable energy producers without public auction, enabling the renewable energy producers to directly negotiate with the Board for favorable terms and conditions. However, under existing law, to be eligible for a directly negotiated lease, a renewable energy producer is required to sell all of the net power produced from the demised premises to an electric utility company regulated under the state Public Utilities Commission law. Your Committee finds that by amending the definition of "renewable energy producer" to remove these limitations, this measure will expand the pool of potential applicants eligible for leases, provide the Board of Land and Natural Resources with greater flexibility to generate revenue, and support the State in achieving its ambitious renewable energy goals.

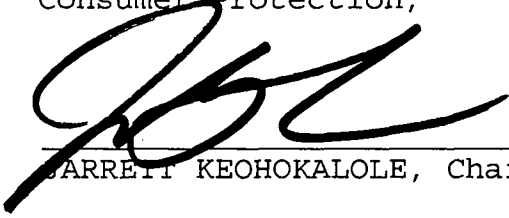
Your Committee has amended this measure by:

- (1) Inserting language to include any provider of district heating or cooling services utilizing renewable energy within the definition of "renewable energy producer" under section 171-95, HRS;
- (2) Amending section 1 to reflect its amended purpose; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3195, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3195, S.D. 2.



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



BARRETT KEOHOKALOLE, Chair



