

STAND. COM. REP. NO.

105

Honolulu, Hawaii

FEB 04 , 2025

RE: H.B. No. 338

H.D. 1

Honorable Nadine K. Nakamura  
Speaker, House of Representatives  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Madame:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 338 entitled:

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

begs leave to report as follows:

The purpose of this measure is to clarify that adjustments linked to premium interest rates for high-yield credit are mechanisms for reasonable and appropriate incremental adjustments that the Public Utilities Commission may include in the rate payable to producers of nonfossil-fuel-generated electricity.

Your Committee received testimony in support of this measure from the Hawaii State Energy Office; Public Utilities Commission; Hawaii Clean Power Alliance; and one individual. Your Committee received testimony in opposition to this measure from Hawaiian Electric. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that renewable energy from independent power producers and community-based renewable producers will help achieve the State's renewable energy goals. Your Committee further finds that the procurement, contracting, and delivery of operational renewable energy facilities and community-based renewable energy projects are in jeopardy due to financial issues outside of the control of these power producers. Currently, these

2025-1248 HB338 HD1 HSCR HMSO



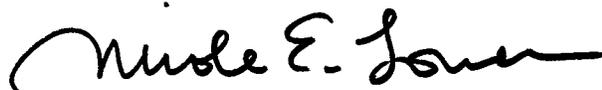
producers face the prospect of securing loans with a higher-than-average interest rate to finance renewable energy facilities or community-based renewable energy projects. This measure is intended to assist independent power producers by allowing them to be paid incrementally from increased rates to reflect increased costs from a premium interest rate for high-yield credit.

Your Committee has amended this measure by:

- (1) Clarifying that the Public Utilities Commission may only approve a rate adjustment if the producer can demonstrate that the adjustment is required by clear and convincing evidence;
- (2) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 338, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 338, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on  
behalf of the members of the  
Committee on Energy &  
Environmental Protection,



NICOLE E. LOWEN, Chair



