

STAND. COM. REP. NO.

1205

Honolulu, Hawaii

MAR 13, 2025

RE: S.B. No. 589
S.D. 1
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 S.B. No. 589, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require the Public Utilities Commission to use tariffs for grid services programs, microgrids, community-based renewable energy, and retail wheeling with fair compensation;
- (2) Ensure that fair compensation is provided for distributed energy resources exports as part of grid service programs;
- (3) Clarify that a person that constructs, maintains, or operates a new microgrid shall not be considered a public utility solely as a result of furnishing service through that new microgrid to participating customers; and
- (4) Authorize retail wheeling.



Your Committee received testimony in support of this measure from Holu Hou Energy; Hawaii Solar Energy Association; Alternate Energy Inc.; LegaSea Energy; Sunspear Energy; Blue Planet Foundation; Photonworks Engineering; Fair Wind Inc; Malama Solar; Green Power Projects LLC; Grand Solar, Inc.; Solar Services Hawaii LLP; Sunrun; and numerous individuals. Your Committee received testimony in opposition to this measure from Life of the Land; International Brotherhood of Electrical Workers Local Union 1260; and Hawaiian Electric. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs; Public Utilities Commission; and Ulupono Initiative.

Your Committee finds that the transition away from imported fossil fuels toward renewable energy sources is critical for ensuring the State's energy independence, economic sustainability, and environmental resilience. Your Committee further finds that to ensure grid stability and resilience, the State must invest in grid services programs, microgrids, community-based renewable energy programs, and allow retail wheeling.

Your Committee has amended this measure by:

- (1) Adding an installation goal for customer-sited distributed energy resources;
- (2) Clarifying that energy exported from customer-sited distributed energy resources as part of a grid service program to the electric grid shall be credited at a rate sufficient to encourage deployment of customer-sited distributed energy resources in order to meet the installation goal;
- (3) Clarifying that grid service compensation values shall be sufficient to encourage participation in grid service programs;
- (4) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (5) 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 S.B. No. 589, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 589, S.D. 1, 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

NICOLE E. LOWEN, Chair



HSCR 1205

Bill/Resolution No.: <div style="font-size: 1.5em; font-weight: bold;">SB 589, SD1</div>	Committee Referral: <div style="font-size: 1.5em; font-weight: bold;">EEP, CPC, FIN</div>	Date: <div style="font-size: 1.5em; font-weight: bold;">3/11/25</div>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EEP Members	Ayes	Ayes (WR)	Nays	Excused
1. LOWEN, Nicole E. (C)	✓			
2. PERRUSO, Amy A. (VC)	✓			
3. KAHALOA, Kirstin	✓			
4. KUSCH, Matthias	✓			
5. QUINLAN, Sean	✓			
6. WARD, Gene				✓
TOTAL (6)	5			1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 0.8em;">committee acronym(s)</div>				
Vice Chair's or designee's signature: _____ <div style="text-align: center; font-size: 1.2em; font-family: cursive;">Amy Perruso</div>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				