

STAND. COM. REP. NO.

1500

Honolulu, Hawaii

MAR 21, 2025

RE: S.B. No. 589  
S.D. 1  
H.D. 2

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

Madame:

Your Committee on Consumer Protection & Commerce, to which  
was referred S.B. No. 589, S.D. 1, H.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 establish a goal of installing fifty thousand new installations of customer-sited distributed energy resources by December 31, 2030;
- (2) Require the Public Utilities Commission to use tariffs for grid services programs, microgrids, community-based renewable energy, and retail wheeling;
- (3) Require compensation for solar and energy storage exports to the electric grid and require the Public Utilities Commission to establish grid service compensation values;
- (4) Specify that persons who construct, maintain, or operate a new microgrid are not considered a public utility

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solely due to furnishing service through that new microgrid; and

- (5) Authorize retail wheeling of renewable energy and require the Public Utilities Commission to establish policies and procedures to implement retail wheeling and microgrid service tariffs.

Your Committee received testimony in support of this measure from LegaSea Energy; Blue Planet Foundation; Inter-Island Solar Supply; Alternate Energy Inc.; Sol-Ark; Hawaii Solar Energy Association; Holu Hou Energy; Energy Advisors; Sunrun Inc.; and numerous individuals. Your Committee received testimony in opposition to this measure from the International Brotherhood of Electrical Workers Local 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 retail wheeling is the transmission of electric power from an electricity generator to consumers over transmission lines of a third-party electric utility. Your Committee further finds that retail wheeling may be a mechanism to encourage further renewable energy generation that would aid the State in achieving the State's renewable energy goals. However, the implementation of retail wheeling requires an examination of many complex and interrelated issues to ensure reliability and cost-effectiveness, such as interconnection, availability of transmission and distribution capacity, appropriate rates and rate design, and back-up power requirements.

Accordingly, your Committee has amended this measure by:

- (1) Restricting the authorization for retail wheeling under this measure to intragovernmental wheeling; and
- (2) 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 589, S.D. 1, H.D. 1, as amended herein, and



recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 589, S.D. 1, H.D. 2.

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



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SCOT Z. MATIYOSHI, Chair



