

Honolulu, Hawaii

**FEB 03 2025**

RE: S.B. No. 996  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Sir:

Your Committee on Energy and Intergovernmental Affairs, to which was referred S.B. No. 996 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 allow the Public Utilities Commission to authorize the inclusion of incremental adjustments that are linked to premium interest rates for high yield credit to the rate for electricity generated from nonfossil fuels.

Your Committee received testimony in support of this measure from the Public Utilities Commission, Hawaii State Energy Office, Hawaii Clean Power Alliance, and AES Hawai'i.

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 Hawaii's electric utilities and independent power producers face numerous challenges in trying to achieve the State's renewable portfolio standards. According to testimony received by your Committee, the achievement of the State's renewable portfolio standards will hinge, in no small

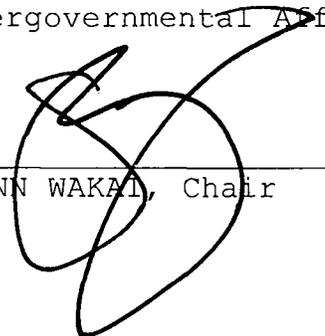


part, on the ability of independent power producers to finance their renewable energy projects, and therefore successfully execute power purchase agreements with Hawaii's electric utilities. Your Committee recognizes that multiple, recently awarded independent renewable energy projects have been terminated due to increased financing costs resulting from the recent updated credit rating of Hawaii's investor-owned electric utility. Without the ability to make rate adjustments to account for unique risks, renewable projects could be cancelled, jeopardizing Hawaii's energy resilience and long-term sustainability.

Your Committee has amended this measure by 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 Energy and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 996, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 996, S.D. 1, and be referred to your Committee on Commerce and Consumer Protection.

Respectfully submitted on behalf of the members of the Committee on Energy and Intergovernmental Affairs,



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GLENN WAKAI, Chair

The Senate  
Thirty-Third Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Energy and Intergovernmental Affairs**  
**EIG**

Bill / Resolution No.:* <b>SB996</b>	Committee Referral: <b>EIG, CPN</b>	Date: <b>1/28/25</b>
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The Committee is reconsidering its previous decision on this measure.  
If so, then the previous decision was to: \_\_\_\_\_

The Recommendation is:

Pass, unamended 2312    
 Pass, with amendments 2311    
 Hold 2310    
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
WAKAI, Glenn (C)	X			
CHANG, Stanley (VC)				X
DECOITE, Lynn				X
RICHARDS, III, Herbert M. "Tim"	X			
FEVELLA, Kurt	X			
<b>TOTAL</b>	<b>3</b>			<b>2</b>

Recommendation:  Adopted      Not Adopted

Chair's or Designee's Signature: 

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\*Only one Governor's Message per Record of Votes