

Honolulu, Hawaii

FEB 18 2011

RE: S.B. No. 182
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committees on Energy and Environment and Commerce and Consumer Protection, to which was referred S.B. No. 182 entitled:

"A BILL FOR AN ACT RELATING TO RESIDENTIAL ENERGY DEVICES,"

beg leave to report as follows:

The purpose and intent of this measure is to direct the Public Utilities Commission to create and implement an on-bill financing program for residential electric utility consumers to finance purchases of energy efficient or renewable energy devices and systems through their electric utility bills.

Your Committees received testimony in support of this measure from Jeffrey T. Ono, Department of Commerce and Consumer Affairs; Blue Planet Foundation; Sierra Club, Hawai'i Chapter; Warren Bollmeier, Hawaii Renewable Energy Alliance; Hawaii Solar Energy Association; and Brian Bell. Your Committees received comments on this measure from Carlito P. Caliboso, Public Utilities Commission; Alan Hee, Hawaiian Electric Company, Inc.; and Myoung Oh, Hawaii Association of REALTORS.

Your Committees find that up-front costs are a barrier preventing many Hawaii residents from installing renewable energy systems and replacing energy-inefficient home appliances with energy-saving alternatives. Existing tax credit and rebate programs have not been enough of an incentive to offset up-front costs. Your Committees further find that allowing public utilities customers to finance purchases of energy-saving appliances and renewable energy technology through on-bill



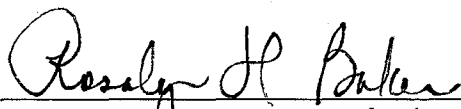
financing backed by the public benefits fee may be a solution to the problem of high up-front costs.

Your Committees recognize, however, that on-bill financing can be expensive to administer and can cause a number of difficulties when tenants move or when property is sold. Therefore, your Committees have amended this measure by:

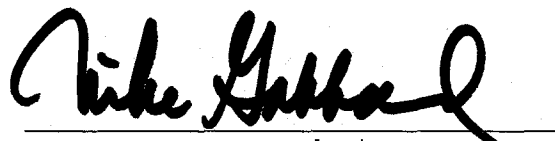
- (1) Removing the provisions requiring the Public Utilities Commission to implement an on-bill financing system and replacing them with provisions requiring the Public Utilities Commission to:
 - (A) Conduct a cost-benefit analysis of a proposed on-bill financing program;
 - (B) Develop recommendations for a possible model that addresses some of the concerns of implementing an on-bill financing system; and
 - (C) Submit a report to the Legislature no later than twenty days before the beginning of the 2012 Regular Session; and
- (2) Amending the purpose section accordingly.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 182, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 182, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Energy and
Environment and Commerce and
Consumer Protection,



ROSALYN H. BAKER, Chair



MIKE GABBARD, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Energy and Environment
ENE

Bill / Resolution No.:* SB 182	Committee Referral: ENE/CPN, WAM	Date: 2/8/11		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	✓			
ENGLISH, J. Kalani (VC)				✓
GREEN, M.D., Josh	✓			
IHARA, Jr., Les	✓			
SLOM, Sam			✓	
TOTAL	3	0	1	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* SB182	Committee Referral: ENE/CPN, WAM	Date: 2-9-2011		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
GALUTERIA, Brickwood	✓			
GREEN, M.D., Josh	✓			
NISHIHARA, Clarence K.	✓			
SOLOMON, Malama	✓			
SLOM, Sam			✓	
TOTAL	6	0	1	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

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