

Honolulu, Hawaii

APR 26 2012

RE: S.B. No. 2787
S.D. 2
H.D. 1
C.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 2787, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ELECTRICITY,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to support the stability and reliability of the Hawaii electric system by authorizing the Public Utilities Commission to:

- (1) Develop, adopt, monitor, and enforce electric reliability standards and interconnection requirements;
- (2) Contract for the services of a Hawaii Electricity Reliability Administrator to monitor and enforce standards, and perform other technical interconnection-related support functions; and



- (3) Establish procedures for interconnection on the Hawaii electric system and a surcharge to ensure the reliable operation of the Hawaii electricity system and overseeing of grid access on the system.

Your Committee on Conference finds that the reliability of Hawaii's electric system is a central issue the State must address to achieve the maximum penetration of renewable energy generation on its grid. Although Hawaii's electric utilities currently assume responsibility for maintaining system reliability, the rise in requests to connect to the grid with intermittent energy sources demands a more formalized and transparent interconnection process.

Your Committee on Conference further finds that the Public Utilities Commission is best positioned to undertake the responsibility of administering critical formal reliability standards to govern all segments of the electric power system. This measure provides the Public Utilities Commission with the necessary means to ensure that reliability standards and interconnection requirements are properly monitored, enforced, and funded.

Your Committee on Conference has amended this measure by inserting an effective date of July 1, 2012.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2787, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2787, S.D. 2, H.D. 1, C.D. 1.



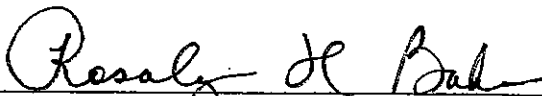
Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



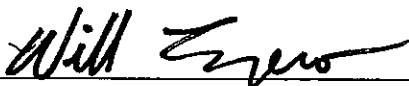
DENNY COFFMAN, Co-Chair



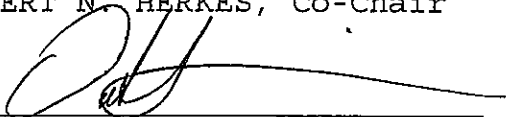
ROSALYN H. BAKER, Chair



ROBERT N. HERKES, Co-Chair



WILL ESPERO, Co-Chair



DEREK S.K. KAWAKAMI, Co-Chair



Hawaii State Legislature

CCR 71-12

Record of Votes of a
Conference Committee

Bill / Concurrent Resolution No.: SB 2787, SD 2, HD 1	Date/Time: 9:03 4-26-2012
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
BAKER, Rosalyn H., Chr.	✓				COFFMAN, Denny, Co-Chr.	✓			
ESPERO, Will, Co-Chr.	✓				HERKES, Robert N., Co-Chr.	✓			
TANIGUCHI, Brian T.	✓				KAWAKAMI, Derek S.K., Co-Chr.	✓			
					TSUJI, Clift				✓
					THIELEN, Cynthia	✓			
TOTAL	3	-	-	-	TOTAL	4	-	-	1

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature:
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