

STAND. COM. REP. NO. **2018**

Honolulu, Hawaii

FEB 06 2012

RE: S.B. No. 2966
S.D. 1

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

Sir:

Your Committee on Energy and Environment, to which was referred S.B. No. 2966 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 increase the maximum allowable customer-generator capacity for net energy metering systems to two megawatts if the generating facility is sited on property owned or controlled by the State of Hawaii, or one megawatt for all other systems.

Your Committee received testimony in support of this measure from Hawaii Solar Energy Association, Blue Planet Foundation, and the Sierra Club's Hawaii Chapter. Your Committee received testimony in opposition to this measure from Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company. Your Committee received comments on this measure from the Public Utilities Commission and Division of Consumer Advocacy.

Your Committee finds that under existing law, the vast majority of customer-generators may generate no more than one hundred kilowatts of energy, limiting the ability of customer-generators to save in electricity costs. At current energy prices, the maximum customer-generator capacity is roughly the equivalent of a monthly power bill of \$4,000 to \$5,000, depending on the location of the building. Many businesses have power bills that are much higher than \$5,000 per month but cannot, without a rule or order by the Public Utilities Commission, match their

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electrical output needs by generating more than one hundred kilowatts of energy.

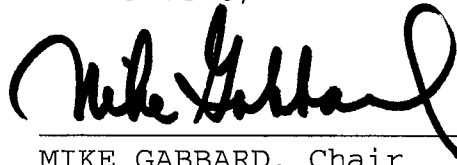
At the public hearing on this measure, various testifiers disputed whether the net energy metering program inflated the cost of electricity for non-net energy metered utility customers, and if so, by how much. It appears that no comprehensive study of this issue has been conducted in Hawaii. The Public Utilities Commission is currently working together with docketed parties to address issues of electric grid reliability and the development of transparent standards for interconnection to the electrical grid.

Your Committee has amended this measure by:

- (1) Changing the effective date from upon approval to July 1, 2050, to ensure further discussion; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2966, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2966, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Respectfully submitted on
behalf of the members of the
Committee on Energy and
Environment,

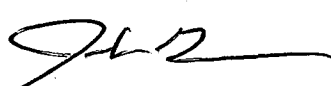


MIKE GABBARD, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Energy and Environment
ENE

Bill / Resolution No.:* SB 2966	Committee Referral: ENE, CPN	Date: 1/31/12		
<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	0	3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-size: 2em; font-family: cursive;">  </div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes