

Honolulu, Hawaii

APR 05 2012

RE: H.B. No. 2121  
H.D. 2  
S.D. 1

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

Sir:

Your Committees on Energy and Environment and Commerce and Consumer Protection, to which was referred H.B. No. 2121, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY,"

beg leave to report as follows:

The purpose and intent of this measure is to ensure the cost effectiveness of renewable energy technology projects by:

- (1) Prohibiting a taxpayer from claiming a tax credit for renewable energy technologies for installing a renewable energy system for, or entering into a power purchase agreement with, a county, state, or federal agency; and
- (2) Authorizing the issuance of general obligation bonds to purchase renewable energy systems for state facilities.

Prior to holding a public hearing on this measure, a proposed S.D. 1 was prepared and made available for public review. The proposed S.D. 1 deletes the contents of this measure and inserts the contents of S.B. No. 2966, S.D. 2. As amended, the proposed S.D. 1 increases 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 Committees received testimony in support of the proposed S.D. 1 from the Department of Business, Economic Development, and Tourism; Office of the Mayor of the City and County of Honolulu; Department of Design and Construction of the City and County of Honolulu; Department of Water Supply of the County of Hawai'i; Sierra Club; Blue Planet Foundation; Hawaii PV Coalition; Hawaii Renewable Energy Alliance; and one individual. Your Committees received testimony in opposition to the proposed S.D. 1 from the Hawaiian Electric Company. Your Committees received comments on the proposed S.D. 1 from the Public Utilities Commission, Consumer Advocate, and Office of Economic Development of the County of Kaua'i.

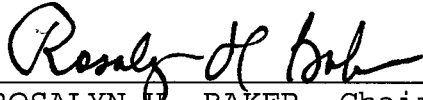
Your Committees find that the purpose of net energy metering is to stimulate the development of distributed generation systems, especially solar photovoltaic systems. By offering a credit at full retail rates and generous tax incentives, residential and commercial installations of solar photovoltaic systems in the State of Hawaii have flourished. Net energy metering will help move the State off its dependence on imported oil, and raising the maximum net energy metering capacity of customer-generators will allow larger facilities to participate in the successful net energy metering program in furtherance of greater energy self-sufficiency for the State.

Your Committees have amended this measure by adopting the proposed S.D. 1.

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 H.B. No. 2121, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2121, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

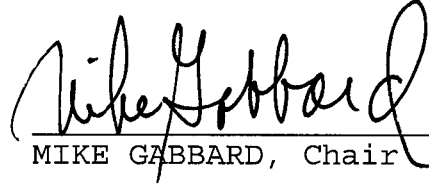


Respectfully submitted on  
behalf of the members of the  
Committees on Energy and  
Environment and Commerce and  
Consumer Protection,



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ROSALYN W. BAKER, Chair



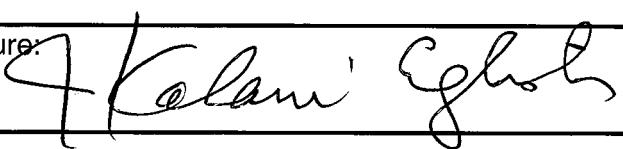
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MIKE GABBARD, Chair



The Senate  
 Twenty-Sixth Legislature  
 State of Hawai'i


**Record of Votes**  
**Committee on Energy and Environment**  
**ENE**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 2121 HD2	ENE/CPN	3 April 2012		
<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				✓
<b>TOTAL</b>	3			2
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.:* <b>HB 2121 HD2</b>	Committee Referral: <b>ENE/CPN</b>	Date: <b>4/3/12</b>		
<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				✓
<b>TOTAL</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">  </div>				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

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