

STAND. COM. REP. NO. 1447

Honolulu, Hawaii

APR 12 2013

RE: S.C.R. No. 37  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred  
S.C.R. No. 37, S.D. 1, entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING THE PUBLIC UTILITIES  
COMMISSION TO CONSIDER WHETHER STRANDED COSTS ARE A  
SIGNIFICANT FACTOR IN THE ELECTRIC UTILITIES' FAILURE TO  
RETIRE OLD, OIL-FIRED GENERATION PLANTS AND ANY APPROPRIATE  
MEASURES THAT WOULD ENCOURAGE ELECTRIC UTILITIES TO RETIRE  
OLD, OIL-FIRED GENERATION PLANTS AND THE POTENTIAL IMPACT  
THIS WOULD HAVE ON RATEPAYERS,"

begs leave to report as follows:

The purpose and intent of this measure is to request the  
Public Utilities Commission to consider the issue of the  
retirement of old, oil-fired generation plants by electric  
utilities.

More specifically, this measure requests the Public Utilities  
Commission to consider:

- (1) Whether stranded costs are a significant factor in the  
failure by electric utilities to retire their old, oil-  
fired generation plants; and
- (2) Any appropriate measures that would encourage electric  
utilities to retire their old, oil-fired generation  
plants and the potential impact that this would have on  
ratepayers.



Your Committee received written comments on this measure from the Public Utilities Commission.

Your Committee finds that the State must find environmentally friendly alternatives to fossil fuel electric power generation. However, the early retirement of a power plant for the purpose of switching the power source from fossil fuels to renewable fuels potentially creates a stranded cost for electric utilities, which is a cost that usually cannot be recouped.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 37, S.D. 1, and recommends its adoption.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
\_\_\_\_\_  
DAVID F. IGE, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>SCR 37, SD 1</b>	Committee Referral: <b>ENE/CPN, WAM</b>	Date: <b>4-5-13</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 checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.				✓
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
TOKUDA, Jill N.	✓			
SLOM, Sam	✓			
<b>TOTAL</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
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\*Only one measure per Record of Votes