

Honolulu, Hawaii

February 14, 2014

RE: H.B. No. 1943  
H.D. 2

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1943, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE MODERNIZATION OF THE HAWAII ELECTRIC SYSTEM,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require the Public Utilities Commission (PUC) to adopt rules for improved accessibility to connect to the Hawaii electric system; and
- (2) Appropriate funds to the PUC for the initiation of a proceeding no later than July 1, 2014, to discuss upgrades to the Hawaii electric system for anticipated growth of customer generation.

Hawaii PV Coalition; Hawaii Solar Energy Association; Alliance for Solar Choice; SolarCity; Sunrun, Inc.; Hawaii Renewable Energy Alliance; Sierra Club of Hawaii; Blue Planet Foundation; RevoluSun; Rising Sun Solar; and several concerned individuals testified in support of this measure. The Division of Consumer Advocacy, Department of Commerce and Consumer Affairs; PUC; Department of Business, Economic Development, and Tourism; and Hawaiian Electric Company, Inc., Maui Electric Company, and Hawaii Electric Light Company commented on this measure.



Your Committee has amended this measure by:

- (1) Removing the purpose section;
- (2) Replacing the prescriptive requirements of grid interconnection for the PUC with provisions that allow for PUC oversight based on advanced grid modernization principles;
- (3) Clarifying the PUC proceeding regarding modernization of the electric grid in the State and the required utility reports to the PUC;
- (4) Adding an appropriation of an amount to be determined, for the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs to represent the interest of consumers in the PUC proceeding; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Should your Committee on Finance deliberate on this measure, your Committee respectfully requests an appropriation amount of \$750,000 for the PUC and that your Committee on Finance determine an appropriate amount for the Division of Consumer Advocacy within the Department of Commerce and Consumer Affairs.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1943, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1943, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,



ANGUS L.K. MCKELVEY, Chair



