

STAND. COM. REP. NO.

124

Honolulu, Hawaii

February 12, 2015

RE: H.B. No. 1505
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 1505 entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

begs leave to report as follows:

The purpose of this measure is to promote the use of renewable energy in Hawaii by prohibiting the Public Utilities Commission from approving:

- (1) Any power purchase agreement; and
- (2) Any amendment, modification, or renewal of any power purchase agreement,

if the power purchase agreement prohibits the sale of energy to third parties or requires the consent of a utility to sell energy to third parties.

The Blue Planet Foundation supported this measure. Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company opposed the bill. The Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs and Life of the Land submitted comments.



Your Committee has amended this measure by:

- (1) Specifying that the Public Utilities Commission is prohibited from approving any power purchase agreement or any amendment, modification, or renewal of any such agreement, if the agreement prohibits the sale of renewable energy to a third party or requires the consent of an electric utility company to sell renewable energy to a third party, to the extent that such renewable energy will be converted from electrical energy to another form of energy such as chemical or thermal energy, or to the extent that such renewable energy will be stored for later provision to an electric utility company;
- (2) Requiring an independent power producer to pay fair compensation to an electric utility company when curtailed renewable energy is sold by the independent power producer to a third party on the electrical grid; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1505, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1505, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,



CHRIS LEE, Chair



State of Hawaii
House of Representatives
The Twenty-eighth Legislature

HSCA 124

Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.: HB 1505	Committee Referral: EEP, CPC, FIN	Date: 2/5/15
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The committee is reconsidering its previous decision on the measure.

The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold
 Pass short form bill with HD to recommit for future public hearing (recommit)

EEP Members	Ayes	Ayes (WR)	Nays	Excused
1. LEE, Chris (C)	✓			
2. LOWEN, Nicole E. (VC)	✓			
3. CULLEN, Ty J.K.	✓			
4. EVANS, Cindy	✓			
5. ING, Kaniela	✓			
6. NISHIMOTO, Scott Y.	✓			
7. SAY, Calvin K.Y.	✓			
8. YAMANE, Ryan I.	✓			
9. POUHA, Feki	✓			
10. THIELEN, Cynthia	✓			
TOTAL (10)				
		2/10	0	0

The recommendation is: Adopted Not Adopted
 If joint referral, _____ did not support recommendation.
committee acronym(s)

Vice Chair's or designee's signature: *Nicole E. Lowen*