

STAND. COM. REP. NO. 1340

Honolulu, Hawaii

APR 07 2015

RE: H.B. No. 623
H.D. 2
S.D. 2

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 623, H.D. 2, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Increase renewable portfolio standards for electric utilities to thirty percent by 2020, sixty percent by 2030, seventy percent by 2035, and one hundred percent by 2045; and
- (2) Require the Public Utilities Commission to include the impact of renewable portfolio standards, if any, on the energy prices offered by renewable energy developers and the cost of fossil fuel volatility in its renewable portfolio standards study and report to the Legislature.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Office of Environmental Quality Control; Hawaii Solar Energy Association; Ulupono Initiative; Hawaii Renewable Energy Alliance; Blue Planet Foundation; and numerous individuals. Your Committee received testimony in opposition to this measure from the Hawaiian Electric Company, Inc. and three individuals. Your Committee received comments on this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer

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Affairs, Kaua'i Island Utility Cooperative, and Chamber of Commerce Hawaii.

Your Committee finds that the State has implemented energy goals using renewable portfolio standards, which include generating forty percent of the State's electricity from renewable energy by 2030. However, existing law allows most of the State's power to come from fossil fuels in 2030 and beyond. This measure updates and extends Hawaii's clean energy initiative and renewable portfolio standards in an effort to extend long-term benefits to Hawaii's economy and environment.

According to testimony received by your Committee, a recently conducted study concluded that it is possible that Hawaii will be able to meet its forty percent renewable portfolio standards goal if certain challenges and uncertainties are addressed. Your Committee notes the study found that although greater levels of renewable energy may be possible, these higher levels of renewable energy are associated with measures that may warrant further evaluation. Furthermore, your Committee has heard the concerns that reaching the one hundred percent renewable portfolio standard by 2045 may be overly aggressive. Concerns were also raised about the renewable portfolio standards goals beyond 2030 and a possible detrimental effect on ratepayers. Your Committee finds that the State should continue to work toward energy independence but also believes it is appropriate to proceed cautiously when attempting to set higher renewable portfolio standards goals beyond 2030. Amendments that adjust the dates for the renewable portfolio standards are therefore necessary.

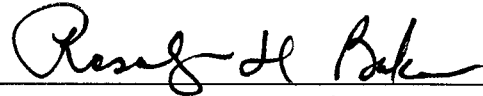
Your Committee has amended this measure by:

- (1) Adjusting the percentages and dates for electric utility company renewable portfolio standards as follows:
 - (A) Forty percent by December 31, 2030;
 - (B) Seventy percent by December 31, 2040; and
 - (C) One hundred percent by December 31, 2050; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.



As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 623, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 623, H.D. 2, S.D. 2.

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




ROSALYN H. BAKER, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:		
HB623 HD2 SD1	ENE, CPN	4-1-15		
<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)				✓
KAHELE, Gilbert	✓			
KIDANI, Michelle N.	✓			
NISHIHARA, Clarence K.	✓			
WAKAI, Glenn	✓			
SLOM, Sam				✓
TOTAL	5			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