

STAND. COM. REP. NO. **43**

Honolulu, Hawaii

FEB 09 2015

RE: S.B. No. 698
S.D. 1

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

Madam:

Your Committee on Energy and Environment, to which was referred S.B. No. 698 entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

begs leave to report as follows:

The purpose and intent of this measure is to prohibit the Public Utilities Commission from approving power purchase agreements that prohibit the sale of energy to third parties or require utility consent to sell energy to third parties.

Your Committee received testimony in support of this measure from the Hawaii Solar Energy Association and Blue Planet Foundation. Your Committee received testimony in opposition to this measure from Hawaiian Electric Company. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs Division of Consumer Advocacy.

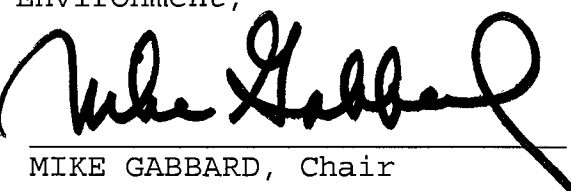
Your Committee finds that power purchase agreements, entered into by electric utilities and approved by the Public Utilities Commission, frequently prohibit power producers from selling energy to third parties, even if that energy is being curtailed or not used on the grid by the utility. These power purchase agreements promote the waste of energy to the detriment of the people of Hawaii. This measure enables energy producers to make use of energy that would otherwise be wasted.

Your Committee has amended this measure by:




- (1) Adding language to clarify that the Public Utilities Commission is prohibited from approving purchase agreements that prohibit the sale of renewable energy to third parties or require utility consent to sell renewable energy to third parties to the extent that the renewable energy will be converted from electrical energy to another form of energy or will be stored for later distribution to an electric utility; and
- (2) Amending section 1 to reflect the amended purpose of this measure.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 698, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 698, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Respectfully submitted on
behalf of the members of the
Committee on Energy and
Environment,

MIKE GABBARD, Chair

The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Energy and Environment
ENE

Bill / Resolution No.:* SB 698	Committee Referral: ENE, CPN	Date: Feb. 3, 2015		
<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)	✓			
GREEN, Josh (VC)				✓
GALUTERIA, Brickwood				✓
IHARA, Jr., Les	✓			
SLOM, Sam		✓		
TOTAL	2	1	0	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