

Honolulu, Hawaii

FEB 19 2015

RE: S.B. No. 1050  
S.D. 1

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

Madam:

Your Committees on Energy and Environment and Commerce and Consumer Protection, to which was referred S.B. No. 1050 entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

beg leave to report as follows:

The purpose and intent of this measure is to establish the Hawaii community-based renewable energy program to make the benefits of renewable energy more accessible to a greater number of Hawaii residents.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs Division of Consumer Advocacy, Public Utilities Commission, Hawaii Green Growth, Ulupono Initiative, Environmental Caucus of the Democratic Party of Hawaii, Blue Planet Foundation, Americans for Democratic Action, Hawaii Energy Renewable Alliance, Hawaii Solar Energy Association, Clean Energy Collective, and twenty-one individuals. Your Committees received testimony in opposition to this measure from two individuals. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism; Office of Hawaiian Affairs; and Hawaiian Electric Company, Inc.

Your Committees find that localized renewable energy generation has become increasingly attainable for all types of customers over the past several years. However, despite the rise in statewide residential solar energy use, many individuals and households are currently unable to directly participate in



renewable energy because of their location, building type, access to the electric utility grid, and other impediments. Implementation of this measure will create a community-based renewable energy tariff structure that will increase access to renewable generation.

Your Committees have amended this measure by:

- (1) Clarifying that only an electric utility or the Public Utilities Commission may propose a community-based renewable energy tariff or tariffs;
- (2) Requiring the Public Utilities Commission, in establishing the community-based renewable energy tariff or tariffs, to consider various mechanisms to achieve an appropriate cost and benefit balance for participating and nonparticipating ratepayers;
- (3) Requiring a project equal to or less than one megawatt in size to be subject to streamlined and standardized interconnection approval processes established by the Public Utilities Commission;
- (4) Clarifying that all electric utility customers, irrespective of rate class, receive compensation equal to their pro rata share of interest in a portion or portions of an eligible renewable energy project that is providing electricity to the electric utility;
- (5) Eliminating the provision that nothing in the language proposing to establish the tariff system shall be construed to permit wheeling;
- (6) Eliminating the definition of "wheeling"; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1050, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1050, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on  
behalf of the members of the  
Committees on Energy and  
Environment and Commerce and  
Consumer Protection,



ROSALYN H. BAKER, Chair



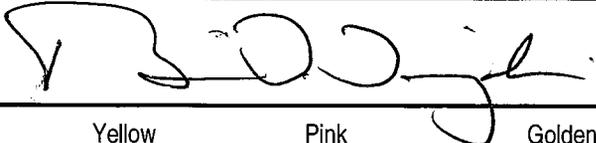
MIKE GABBARD, Chair





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:		
SB1050	ENE/CPN, WAM	2/12/15		
<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				✓
<b>TOTAL</b>	4	0	0	3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original                      Yellow                      Pink                      Goldenrod File with Committee Report    Clerk's Office            Drafting Agency        Committee File Copy				

\*Only one measure per Record of Votes