

STAND. COM. REP. NO. 819

Honolulu, Hawaii

MAR 06 2015

RE: S.B. No. 1050
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 Ways and Means, to which was referred S.B. No. 1050, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

begs leave to report as follows:

The purpose and intent of this measure is to require the Public Utilities Commission to establish a community-based renewable energy tariff or tariffs.

Your Committee received written comments in support of this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs; Kauai Island Utility Cooperative; Blue Planet Foundation; Clean Energy Collective; the Democratic Party of Hawaii; Hawai'i Green Growth; Ulupono Initiative; and nine individuals. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism; the Public Utilities Commission; and Hawaiian Electric Company Inc.

Your Committee finds that a properly designed community-based renewable energy program has the potential to provide significant energy cost-savings to schools and community organizations and to the under-served market of renters and high-rise apartment owners, who have not been able to benefit from distributed renewable energy systems such as solar photovoltaic systems.

Nevertheless, your Committee takes note of the concern raised by the Department of Business, Economic Development, and Tourism

SB1050 SD2 SSCR LRB 15-1845.doc



that should be considered as this measure crosses over to the House of Representatives. Specifically, the department expressed concern over the characterization of a customer's participation with third parties as an "investment". Apparently, there are any number of contractual arrangements into which third parties may enter with customers. However, characterizing those arrangements in statute as investments could unintentionally create a risk that the program would have to be registered as a security and comply with the securities laws.

Your Committee has amended this measure by changing the effective date to July 1, 2053, in order to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1050, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1050, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



JILL N. TOKUDA, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB1050 SD1	Committee Referral: ENE/CPN, WAM	Date: 2/27/15		
<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
TOKUDA, Jill N. (C)	✓			
KOUCHI, Ronald D. (VC)	✓			
CHUN OAKLAND, Suzanne				✓
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
GALUTERIA, Brickwood	✓			
HARIMOTO, Breene	✓			
INOUYE, Lorraine R.		✓		
RIVIERE, Gil	✓			
RUDERMAN, Russell E.				✓
SLOM, Sam	✓			
TOTAL	8	1	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">M. P. ...</div>				
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*Only one measure per Record of Votes