

Honolulu, Hawaii

February 10, 2017

RE: H.B. No. 1574
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 1574 entitled:

"A BILL FOR AN ACT RELATING TO ENERGY RATES,"

begs leave to report as follows:

The purpose of this measure is to require the Public Utilities Commission (Commission) to establish a tiered rate structure for customers of electric utilities to encourage overall energy savings. Specifically, this measure:

- (1) Requires the Commission to establish discounted rates for low-income customers of electric utilities;
- (2) Directs the public benefits fee to be appropriately tiered; and
- (3) Allows the public benefits fee to be used to benefit energy efficiency advancement for low- and middle-income ratepayers, emergency energy workforce retraining and transition programs, and the advancement and adoption of clean energy technologies.

The Hawaii Appleseed Center for Law and Economic Justice, Life of the Land, and an individual supported this measure. The Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs supported the intent of this measure. The



Department of Taxation, Public Utilities Commission, Blue Planet Foundation, and Alliance for Solar Choice provided comments.

Your Committee has amended this measure by:

- (1) Providing the Commission with flexibility to encourage meaningful energy savings and lower electricity costs through the incorporation of tiered rates into electricity rate schedules based upon consumption, with the goal of reducing costs for middle- and low-income ratepayers;
- (2) Removing the requirement for the Commission to apply a discounted low-income rate for electric utilities to certain households;
- (3) Requiring the Commission to ensure that utility bills contain the appropriate information and clearly inform ratepayers of their consumption relative to the tiered rate schedule established by this measure;
- (4) Clarifying the purposes that the public benefits fee shall be used for;
- (5) Removing the provision requiring the public benefits fee to be appropriately tiered to reflect the tiered rate structure for electric power ratepayers; and
- (6) 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. 1574, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1574, H.D. 1, and be referred to your 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-ninth Legislature

HSCR 218

Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.: HB 1574	Committee Referral: EEP, CPC, FIN	Date: 2/7/17
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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. ICHIYAMA, Linda	✓			
6. KONG, Sam Satoru	✓			
7. SAY, Calvin K.Y.	✓			
8. YAMANE, Ryan I.	✓			
9. FUKUMOTO, Beth	✓			
TOTAL (9)	9	∅	∅	∅

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*

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