

Honolulu, Hawaii

MAR 23 2018

RE: H.B. No. 1801
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committees on Transportation and Energy and Commerce, Consumer Protection, and Health, to which was referred H.B. No. 1801, H.D. 1, entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to enable the State to better achieve its renewable energy goals by:

- (1) Amending the definition of "renewable portfolio standard" to more accurately reflect the percentage of renewable energy penetration in the State; and
- (2) Establishing renewable portfolio standards for gas utilities.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Commerce and Consumer Affairs Division of Consumer Advocacy; Life of the Land; Ulupono Initiative; Distributed Energy Resources Council of Hawaii; Organizing for Action; Blue Planet Foundation; 350.org; 350Hawaii.org; We Are One, Inc.; Americans for Democratic Action; Faith and Science Initiative; Hawai'i Interfaith Power and Light; Our Revolution Hawaii; Sierra Club of Hawai'i; and forty-nine individuals. Your



Committees received testimony in opposition to this measure from Hawai'i Lodging and Tourism Association; Hawaiian Electric Company, Inc.; Par Hawaii; Hawai'i Gas; Marriot Hawaii; Westin Princeville Ocean Resort Villas; Hawaii Teamsters and Allied Workers, Local 996; and fifty-four individuals. Your Committees received comments on this measure from the Public Utilities Commission.

Your Committees find that as an island state that is susceptible to the negative effects of climate change, it is important for Hawaii to transition away from imported fuels and toward local renewable energy. The State has codified this transition by enacting legislation requiring a one hundred percent renewable portfolio standard by 2045. However, your Committees find that the law as currently written overestimates the amount of renewable energy serving the State's electricity consumers and does not take into account the entire scope of energy production and consumption. In particular, the renewable portfolio standard does not take into account gas utilities, with numerous testifiers noting the negative effect of liquefied natural gas.

Your Committees heard from several testifiers that supported the intent to utilize a more accurate and holistic definition of "renewable portfolio standard" but were concerned about the unintended consequences of this measure and the feasibility of the timeline for gas utilities to meet the gas utility renewable portfolio standards. Accordingly, your Committees have amended this measure by:

- (1) Deleting section 2, which established renewable portfolio standards for gas utility companies and provided waivers, extensions, and incentives to achieve the renewable portfolio standards;
- (2) Deleting section 3, which added to and amended definitions in section 269-91, Hawaii Revised Statutes;
- (3) Deleting section 4, which amended the definition of "renewable portfolio standard" and provided an exception to the definition for generation used for emergency service;
- (4) Requiring that the Public Utilities Commission to contract with the Hawaii Natural Energy Institute of the



University of Hawaii, pursuant to section 269-95, Hawaii Revised Statutes, to study the feasibility of establishing renewable portfolio standards for gas utility companies in Hawaii and report to the Legislature;

- (5) Appropriating funds to the Public Utilities Commission for the study; and
- (6) 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 Transportation and Energy and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1801, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1801, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

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



ROSALYN H. BAKER, Chair

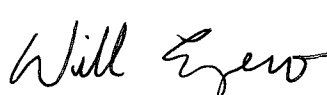


LORRAINE R. INOUYE, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

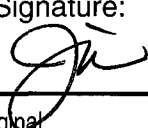
Record of Votes
Committee on Transportation and Energy
TRE

Bill / Resolution No.:*	Committee Referral:	Date:		
HB1801 HD1	TRE/CPH, WAM	3/21/2018		
<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
INOUE, Lorraine R. (C)	X			
ESPERO, Will (VC)	X			
ENGLISH, J. Kalani				X
HARIMOTO, Breene				X
SHIMABUKURO, Maile S.L.	X			
TOTAL	3			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

The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1801 HD1	TRE/CPH, WAM	3/21/18		
<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)	/			
TOKUDA, Jill N. (VC)	/			
CHANG, Stanley	/			
ESPERO, Will	/			
IHARA, Jr., Les	/			
NISHIHARA, Clarence K.				/
RUDERMAN, Russell E.				/
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	

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