

STAND. COM. REP. NO. **3070**

Honolulu, Hawaii

MAR 13 2024

RE: H.B. No. 2390
H.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Agriculture and Environment, to which was referred H.B. No. 2390, H.D. 2, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require the Public Utilities Commission (PUC) to explicitly consider the effect of the State's reliance on fossil fuels on lifecycle greenhouse gas emissions when making determinations of the reasonableness of costs pertaining to electric or gas utility system capital improvements and operations;
- (2) Allow the PUC the discretion to require a lifecycle greenhouse gas emissions assessment for energy projects that do not involve the combustion of fuel; and
- (3) Clarify that the PUC, to lower and stabilize the cost of electricity, consider, in part, the costs and benefits of a diverse portfolio of energy resources, rather than a diverse portfolio of fossil fuels.

Your Committee received testimony in support of this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, Hawaii State Energy Office, Public



Utilities Commission, Hawai'i Climate Change Mitigation and Adaptation Commission, Life of the Land, Hawaiian Electric, Hawaii Clean Power Alliance, and one individual.

Your Committee finds that, when determining the reasonableness of the costs regarding energy projects of electric and gas systems, the PUC is required to conduct an analysis to consider the effect of the State's reliance on fossil fuels on certain matters, such as greenhouse gas emissions. Your Committee notes that requiring the PUC to consider lifecycle emissions would provide a more accurate assessment of the electric or gas utility system capital improvements and operations that involve the combustion of fuel, thus facilitating informed decision-making and protecting the public interest. Your Committee also recognizes that by giving the PUC discretion to conduct these costly and time-consuming analyses for projects with zero generation-based greenhouse gas emissions, this measure reduces costs to ratepayers while supporting more timely review of energy projects in the State.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2390, H.D. 2, and recommends that it pass Second Reading and be referred to your Committee on Commerce and Consumer Protection.

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



MIKE GABBARD, Chair



