

Honolulu, Hawaii

March 3, 2006

RE: H.B. No. 3053
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 3053 entitled:

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

begs leave to report as follows:

The purpose of this bill is to give the Public Utilities Commission (PUC) additional flexibility in implementing a rate-making structure that encourages electric utilities to use cost-effective renewable resources to meet renewable portfolio standards by:

- (1) Requiring that at least 50 percent of the renewable portfolio standards is to be met by "standard" renewable resources such as wind and solar;
- (2) Allowing PUC to prescribe what portion of the remainder of the standards is to be met by specific types of renewable resources; and
- (3) Redefining "renewable energy" to distinguish between standard renewable resources and energy efficiency resources.

The PUC, Hawaiian Electric Company, Inc., Maui Electric Company, Hawaii Electric Light Company, Hawaii Energy Policy Forum, and Hawaii Renewable Energy Alliance testified in support of this bill. The Department of Business, Economic Development,

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and Tourism supported the intent of this measure. Honolulu Seawater Air Conditioning, LLC, and Life of the Land opposed this bill.

Your Committee notes that there are concerns regarding the definition of "renewable energy" and the advisability of including or excluding energy efficiency resources such as seawater air conditioning. These alternative types of renewable energy technology reduce the use of fossil fuels and provide electricity savings through energy efficiency.

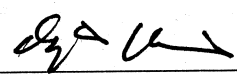
Your Committee finds that Hawaii's energy future is important and that this issue deserves further consideration and discussion.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3053, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3053, H.D. 1.

Respectfully submitted on behalf of the members of the Committee on Finance,



DWIGHT TAKAMINE, Chair



Record of Votes of the Committee on Finance

Bill/Resolution No.: HB 3053	Date: 3-2-06			
Committee Referral: EEP, CPC, FIN	<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.			
The recommendation is to: <input type="checkbox"/> Pass, unamended <input checked="" type="checkbox"/> Pass, with amendments <input type="checkbox"/> Hold <input type="checkbox"/> Recommit				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. TAKAMINE, Dwight Y. (C)	✓			
2. KAWAKAMI, Bertha C. (VC)	✓			
3. CARROLL, Mele	✓			
4. CHONG, Pono	✓			
5. EVANS, Cindy	✓			
6. LEE, Marilyn B.	✓			
7. MAGAOAY, Michael Y.	✓			
8. NAKASONE, Bob	✓			
9. NISHIMOTO, Scott Y.	✓			
10. TANAKA, Kameo	✓			
11. TSUJI, Clift	✓			
12. WAKAI, Glenn	✓			
13. YAMANE, Ryan I.	✓			
14. YAMASHITA, Kyle T.	✓			
15. MEYER, Colleen Rose	✓			
16. MOSES, Mark S.	✓			
17. PINE, Kymberly	.	✓		
18. STEVENS, Anne V.	.			✓
TOTAL	16	1		1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – HMSO Duplicate (Pink) – Clerk's Office				