

Honolulu, Hawaii

Feb 8, 2006

RE: H.B. No. 3053

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

Sir:

Your Committee on Energy & Environmental Protection, 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 create a regulatory incentive to increase the use of energy saving and conservation technologies by:

- (1) Allowing the Public Utilities Commission (PUC) to establish standards that prescribe what portion of the renewable energy standards are to be met by specific types of renewable energy resources, provided that at least 50 percent of the renewable portfolio standards are met by qualifying renewable energy, as opposed to electrical energy savings by various renewable displacement technologies; and
- (2) Changing the definition of "renewable energy" to limit the inclusion of energy efficiency technologies (EET) to when there is no energy efficiency portfolio standard.

The Consumer Advocate, PUC, Hawaiian Electric Company, Inc., Maui Electric Company, Hawaii Electric Light Company, and Rocky Mountain Institute testified in support of this measure. The Department of Business, Economic Development, and Tourism, Sierra Club, Hawai'i Chapter, and Hawaii Renewable Energy Alliance supported the intent of this measure. Honolulu Seawater Air Conditioning LLC changed its written testimony in opposition, to

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support the intent of this measure. The Renewable Energy Working Group of the Hawaii Energy Policy Forum supported the bill in part. The Hawaii Solar Energy Association offered comments.

The law as currently written includes EETs using non-renewable resources in the definition of "renewable energy." Your Committee finds that it is possible for an electric utility to meet the renewable portfolio standard by using various qualifying EETs without any noticeable increase in the state's use of "classic" renewable resources such as wind, wave, solar, geothermal, hydropower, ocean thermal energy conversion, and biomass.

While energy efficiency plays a very important role in reducing Hawaii's dependency on imported fossil fuels, it is the intent of this Committee to set a minimum floor in the renewable portfolio standard that must be met through the use of "classic" renewable resources.

Your Committee also acknowledges the concerns raised by the Hawaii Solar Energy Association, Honolulu Seawater Air Conditioning LLC, and Sierra Club, Hawai'i Chapter, that seawater air-conditioning and solar thermal water heating should not be removed from the definition of "renewable energy," as those technologies use renewable energy, such as seawater and solar energy, in addition to providing electricity savings by displacing the electricity used to perform the same tasks. These are legitimate concerns that should be addressed in subsequent public hearings.

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. 3053 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.



Respectfully submitted on  
behalf of the members of the  
Committee on Energy &  
Environmental Protection,



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HERMINA MORITA, Chair



