

STAND. COM. REP. NO. **2697**

Honolulu, Hawaii

MAR - 3 2006

RE: S.B. No. 3185
S.D. 2

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Housing,
to which was referred S.B. No. 3185, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

begs leave to report as follows:

The purpose of this measure is to establish a statewide
energy efficiency utility and energy efficiency portfolio
standard.

The Department of Business, Economic Development and Tourism,
Life of the Land, Honolulu Seawater Air Conditioning LLC, Rocky
Mountain Institute, Power Light Solar Electric Systems, and Sierra
Club Hawaii Chapter submitted testimony in support of this
measure. Hawaiian Electric Light Company submitted testimony in
support of the measure with amendments. The Department of
Commerce and Consumer Affairs and the Public Utilities Commission
submitted comments.

This measure addresses the substantive changes that are
needed to the Renewable Portfolio Standards Law and creates a
companion concept, the Energy Efficiency Portfolio Standard. Your
Committee finds that the establishment of an energy efficiency
utility to be selected by the Public Utilities Commission could
lead to significantly greater energy efficiency gains than current
approaches to demand-side management.

Upon further consideration, your Committee amended this
measure by:

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- (1) Giving the Public Utilities Commission discretion to redirect either all or a portion of the funds collected through the current demand-side management surcharge into the public benefit fund that may be established by the Commission instead of requiring the Commission to redirect all of the funds;
- (2) Adding paragraph (10) to section 269-C and paragraphs (9) and (10) to section 269-D to obligate the energy efficiency utility to share in the responsibility of meeting the portfolio standards with the electric utilities;
- (3) Changing any reference to a "fixed price" to "fixed prices" in section 5 of the measure to clarify that one fixed price is not intended for all of the renewable technologies;
- (4) By defecting the effective date to July 1, 2050; and
- (5) By making technical, non-substantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3185, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3185, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Housing,



RON MENOR, Chair



