

STAND. COM. REP. NO. 957-08

Honolulu, Hawaii

Feb 29, 2008

RE: H.B. No. 2550
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2550, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC UTILITIES,"

begs leave to report as follows:

The purpose of this bill is to increase participation in the net energy metering program by requiring the Public Utilities Commission (PUC) to ensure that a percentage of the total rated generating capacity produced by eligible net energy metering customer-generators is reserved for energy produced by residential or small commercial customer-generators.

This bill also authorizes PUC to determine the maximum capacity for eligible residential or small commercial customer-generators.

The Consumer Advocate, PUC, Office of Hawaiian Affairs, Kauai Island Utility Cooperative, Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company testified in support of this bill. Sierra Club-Hawaii Chapter, Hawaii Solar Energy Association, and Hawaii Renewable Energy Alliance supported the intent of this measure. SunEdison Hawaii, The Vote Solar Initiative, Solar Alliance, and Hawaii PV Coalition submitted comments.

HB2550 HD2 HSCR CPC HMS 2008-2598



Net energy metering programs help reduce dependence on imported fossil fuels by encouraging electric utility customers to invest in renewable energy systems that allow the customer to be paid the utility's retail rate for excess electricity generated by an eligible customer-generator and fed back to the electric grid.

Your Committee has amended this bill by replacing its entire contents with most of the provisions from the original draft of this bill. As amended, this bill among other things:

- (1) Provides that eligible customer-generators include customers who purchase electricity from or lease qualifying renewable energy generating facilities;
- (2) Prohibits electric utilities from unreasonably denying, burdening, or delaying net energy metering services requested by eligible customer-generators;
- (3) Increases in annual increments:
 - (A) The maximum kilowatt capacity of eligible customer-generators, from 250 kilowatts in 2008 to one megawatt after 2009, unless a greater capacity is authorized by PUC; and
 - (B) The total rated generating capacity produced by eligible customer-generators as a percentage of an electric utility's system peak demand, from one percent in 2008 to five percent in 2010, unless modified by PUC, including adding more eligible customer-generators with more than ten-kilowatt capacity in service areas where the maximum percentage is reached;
- (4) Requires electric utilities to give a contracting preference to eligible customer-generators with capacities of ten or less kilowatts;
- (5) Clarifies that the credits for purposes of the twelve-month reconciliation period are units of kilowatt hours;
- (6) Requires PUC to adopt rules that incorporate best practices interconnection standards for qualifying renewable energy generating facilities; and
- (7) Takes effect on June 1, 2025.



Your Committee finds that this bill as amended supports the use of renewable energy resources by expanding opportunities for net energy metering.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2550, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2550, H.D. 2.

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



ROBERT N. HERKES, Chair



