

STAND. COM. REP. NO. 1063-08

Honolulu, Hawaii

March 11, 2008

RE: S.B. No. 988
S.D. 2
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 S.B. No. 988, S.D. 2, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this bill is to encourage the use of renewable
energy by authorizing the Public Utilities Commission (PUC), after
first assessing beneficial impacts to ratepayers, to establish a
photovoltaic rebate program for grid-connected customers within
electric utility service areas.

The Hawaii Renewable Energy Alliance, Island Pacific Energy,
LLC, ProVision Technologies, Inc., and a concerned individual
testified in support of this bill. The Consumer Advocate, PUC,
Hawaiian Electric Company, Hawaii Electric Light Company, and Maui
Electric Company submitted comments.

Photovoltaic energy is a type of renewable energy technology
that converts light directly into electricity. This bill seeks to
expand the use of this technology, and thereby reduce dependence
on imported fossil fuels, by providing rebates to lower the costs
associated with these energy systems.

Your Committee has amended this bill by replacing its
substance with similar provisions that give PUC greater discretion

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in establishing a photovoltaic rebate program. As amended, this bill mainly differs from the draft received by your Committee by:

- (1) Specifying that the photovoltaic rebate program is to be ratepayer-funded;
- (2) Requiring the decision to establish the rebate program to be based on a finding that such a program is in the public interest; and
- (3) Replacing the specific requirements for the rebate program with a broad authorization for PUC to determine applicant eligibility, rebate amounts, and other program specifications.

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 S.B. No. 988, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 988, S.D. 2, H.D. 2.

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



ROBERT N. HERKES, Chair



