

Honolulu, Hawaii

FEB 29 2008

RE: S.B. No. 3001
S.D. 2

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committees on Commerce, Consumer Protection, and
Affordable Housing and Ways and Means, to which was referred S.B.
No. 3001, S.D. 1, entitled:

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

beg leave to report as follows:

The purpose of this measure is to provide consistency between
chapter 269, part VII, Hawaii Revised Statutes, and the processes
and procedures applicable to third party administration of energy-
efficiency and demand-side management programs and services in
Hawaii.

Specifically, this measure:

- (1) Aligns the language of the law with the regulatory
processes and procedures that the Public Utilities
Commission will establish through a pending docket that
will apply under a third party administrator structure
for energy-efficiency and demand-side management
programs and services in the State;
- (2) Clarifies that moneys collected for the purposes of
funding energy-efficiency and demand-side management
programs and services shall not be considered state or
public moneys subject to legislative appropriation and
shall not be required to be deposited into the state
treasury;



- (3) Clarifies that the State has the express authority to participate in any energy-efficiency and demand-side management programs and services offered by the third party administrator; and
- (4) Clarifies that the public benefits fee administrator will be regulated under certain sections of chapter 269, Hawaii Revised Statutes, that are also applicable to public utilities, but would not itself be a public utility.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism; the Public Utilities Commission (PUC); the Hawaiian Electric Company, Inc.; Maui Electric Company, Ltd.; the Hawaii Electric Light Company; and the Hawaii Solar Energy Association.

Your Committees find that it is necessary to clarify that the public benefits fees collected by Hawaii's electric utility companies shall not be considered state or public funds subject to appropriations by the Legislature or for deposit into the general fund, and shall be used for the purpose of providing energy-efficiency and demand-side management programs and services to Hawaii's residential and commercial ratepayers. The demand-side management surcharge proceeds will be transferred to and managed by a third party administrator, appointed by the PUC, while the PUC will still retain the responsibility, control, and oversight of the moneys through a contract with the third party administrator.

Your Committees have amended this measure by:

- (1) Changing the effective date of this measure from effective upon its approval to July 1, 2050 to ensure further discussion on this matter; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Affordable Housing and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3001, S.D. 1, as amended herein, and recommend that it pass

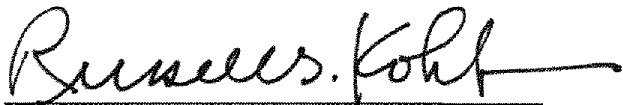


Third Reading in the form attached hereto as S.B. No. 3001,
S.D. 2.

Respectfully submitted on
behalf of the members of the
Committees on Commerce,
Consumer Protection, and
Affordable Housing and Ways and
Means,



ROSALYN H. BAKER, Chair




RUSSELL S. KOKUBUN, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Commerce, Consumer Protection and Affordable Housing
CPH

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 3001 SDI	ENE, CPH/WAM	2-26-08		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KOKUBUN, Russell S. (C)	✓			
IGE, David Y. (VC)	✓			
ESPERO, Will	✓			
IHARA, Jr., Les	✓			
SAKAMOTO, Norman				✓
TANIGUCHI, BRIAN T.	✓			
TRIMBLE, Gordon	✓			
TOTAL	6	6	0	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes

