

STAND. COM. REP. NO.

1053

Honolulu, Hawaii

MAR 27 2009

RE: H.B. No. 1464
H.D. 3
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committee on Energy and Environment, to which was referred H.B. No. 1464, H.D. 3, entitled:

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

begs leave to report as follows:

The purpose of this measure is to, among other things:

- (1) Prohibit any state or county agency from issuing a permit and the Public Utilities Commission from issuing a certificate for the construction or operation of a new electrical generating facility that produces electrical energy solely from the combustion of any type of fossil fuel, except under extraordinary circumstances, as determined by the Public Utilities Commission;
- (2) Provide that, beginning January 1, 2015, electrical energy savings shall not count towards renewable energy portfolio standards and shall not include customer-sited grid-connected photovoltaic systems;
- (3) Amend the renewable energy portfolio standards, and the Public Utility Commission's obligations to review and implement such standards and to encourage development of renewable energy resources;
- (4) Amend the definition of "renewable energy facility" to include biofuel production facilities and renewable



energy facilities with smaller energy production capacities, for purposes of streamlined permit processing for new facilities;

- (5) Revise the streamlined new construction permitting process for renewable energy facilities;
- (6) Direct the Public Utilities Commission to establish energy efficiency portfolio standards;
- (7) Clarify the application of the law requiring solar water heating systems for new single-family residential construction and the procedures for obtaining variances from the requirement;
- (8) Revise the tax credit for renewable technology systems; and
- (9) Revise the Public Utilities Commission's obligations for solar water heater system standards.

Testimony in support of the measure, with amendments and/or comments, was submitted by two private organizations. Testimony in support of the intent of the measure, with amendments and/or comments, was submitted by two state departments and one private organization. Testimony in support of the intent of the measure was submitted by one private organization. Testimony in opposition to the measure was submitted by one private organization. Comments were submitted by one state department and two private organizations. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee believes that it is important to increase the production and use of renewable energy in the State, particularly in the current economic climate. This measure is an omnibus House energy bill. Your Committee finds that this measure is intended to address a range of energy issues and includes elements similar to a number of Senate bills. Your Committee also acknowledges the extent of the amendments suggested in testimony regarding the measure as received, and the preference expressed by several testifiers for the provisions in similar Senate bills.

Accordingly, your Committee has amended this measure by:



- (1) Deleting Section 1 of the measure, regarding new electrical generation facilities, and replacing it with similar language in S.B. No. 1671, S.D. 1, relating to fossil fuel electricity generating facilities;
- (2) Deleting Section 2 of the measure, regarding certificates of public convenience and necessity, and replacing it with Sections 3 and 4 of S.B. No. 1671, S.D. 1, pertaining to applications from public utilities for new generation facilities and adding a definition of "electric utility cooperative association";
- (3) Deleting Section 9 of the measure, which amends the definition of "renewable energy facility" for purposes of streamlined new construction permit processing, and replacing it with similar language from S.B. No. 1258, S.D. 2;
- (4) Deleting Section 10 of the measure, relating to streamlined permit processing for renewable energy facilities, because a similar measure already addresses the amendment proposed in Section 10;
- (5) Deleting Section 14, relating to the requirement that solar water heating devices be installed on new single-family dwellings, and replacing it with similar language from S.B. No. 390, S.D. 2, with a revision regarding demand water heaters and formatting changes;
- (6) Requiring the Public Utilities Commission to adopt standards for solar water heating systems by January 1, 2010, rather than July 1, 2009; and
- (7) Making technical, nonsubstantive changes for style, formatting, and consistency.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1464, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1464, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Energy and
Environment,




MIKE GABBARD, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Energy and Environment
ENE

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1464 HD3	ENE, WAM	19 March 2009		
<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
GABBARD, Mike (C)		/		
ENGLISH, J. Kalani (VC)		/		
GREEN, M.D., Josh		/		
HOOSER, Gary L.			/	
IHARA, Jr., Les				/
KOKUBUN, Russell S.		/		
HEMMINGS, Fred				/
TOTAL		4	1	2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes