

STAND. COM. REP. NO.

570

Honolulu, Hawaii

Feb 20, 2009

RE: H.B. No. 1843

H.D. 2

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1843, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this bill is to reduce Hawaii's dependence on fossil fuel and increase the use of renewable energy within the State.

Generally, the measure:

- (1) Increases the amount of an electric utility company's renewable portfolio standard from twenty to twenty-five per cent of the electric company's net electricity sales by December 31, 2020;
- (2) Requires the amount of an electric utility company's renewable portfolio standard to be forty per cent of the electric company's net electricity sales by December 31, 2030;
- (3) Prohibits all state and county agencies from issuing a permit for the construction or operation of a new electric generation unit that produces electricity solely from the combustion of a fossil fuel, with certain exemptions;



- (4) Requires the Public Utilities Commission to evaluate renewable portfolio standards every five years, beginning in 2013;
- (5) Requires the State Energy Resources Coordinator to:
  - (A) Formulate a systematic process, including the development of requirements, to identify geographic areas that contain renewable energy resource potential that may be developed in a cost-effective and environmentally benign manner and designate these areas as renewable energy zones;
  - (B) Develop and recommend incentive plans and programs to encourage the development of renewable energy resource projects within the renewable energy zones;
  - (C) Assist public and private agencies in identifying the utility transmission projects or infrastructure that are required to accommodate and facilitate the development of renewable energy resources;
  - (D) Assist public and private agencies, in coordination with the Department of Budget and Finance, in accessing the use of special purpose revenue bonds to finance the engineering, design, and construction of transmission projects and infrastructure that are deemed critical to the development of renewable energy resources; and
  - (E) Develop the criteria or requirements for identifying and qualifying specific transmission projects or infrastructure that are critical to the development of renewable energy resources and for which the State Energy Resources Coordinator shall assist in accessing the use of special purpose revenue bonds to finance;
- (6) Includes specific examples of renewable resources for the production of electrical energy that businesses must be engaged in to be deemed a "qualified business" under Hawaii's State Enterprise Zones law;



- (7) Specifies duties of the Renewable Energy Facilitator to facilitate the efficient permitting of renewable energy projects; and
- (8) Reduces the minimum capacity for renewable energy facilities; and
- (9) Requires a report for renewable energy facility permits not approved or denied after twelve months; and
- (10) Precludes any electrical energy savings after January 1, 2015, from counting toward renewable energy portfolio standards.

The Department of Business, Economic Development, and Tourism, Hawaiian Electric Company, Inc., Kauai Island Utility Cooperative, the Sierra Club, and the Blue Planet Foundation testified in support of the measure. The Department of Commerce and Consumer Affairs and the Public Utilities Commission testified in support of the intent of the measure. The Hawaii Renewable Energy Alliance provided comments.

Your committee finds that reducing Hawaii's dependence on fossil fuels and creating incentives to develop renewable energy resource projects is a necessary step in achieving the State's renewable energy goals.

Your committee has amended this bill by changing the effective date of the measure to January 1, 2020, and the effective date of the appropriation made in section 11 to July 1, 2020, to facilitate further discussion on the measure.

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. 1843, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1843, H.D. 2.



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



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ROBERT N. HERKES, Chair



