

STAND. COM. REP. NO. 67

Honolulu, Hawaii
Feb 6, 2009

RE: H.B. No. 429
H.D. 1

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

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 429 entitled:

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

begs leave to report as follows:

The purpose of this bill is to offset the forecasted electrical load growth statewide between the years 2009 and 2030 by directing the Public Utilities Commission (PUC) to establish energy efficiency portfolio standards.

Life of the Land testified in support of this bill. The Department of Business, Economic Development, and Tourism, PUC, Blue Planet Foundation, The Sierra Club-Hawaii Chapter, and Honolulu Seawater Air Conditioning, LLC, supported the intent of this measure. Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company supported this bill with amendments. The Hawaii Renewable Energy Alliance opposed this measure. The Building Industry Association of Hawaii, Grassroot Institute of Hawaii, and The Chamber of Commerce of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Changing the goal of the energy efficiency portfolio standards to maximize cost-effective energy efficiency programs and technologies;

- (2) Inserting a findings and purpose section;
- (3) Changing the unit of desired statewide electricity use reductions from "gigawatts" to "gigawatt hours;"
- (4) Specifying that the PUC establish interim goals for electricity use reductions at 2015, 2020, 2025, and allowing the PUC to adjust the 2030 standard by rule or order;
- (5) Deleting the requirements that the PUC:
 - (a) Identify parties and stakeholders who are responsible for each element of the energy efficiency portfolio standards;
 - (b) Monitor progress towards achieving the energy efficiency portfolio standards; and
 - (c) Consider the impact of renewable energy substitutions, including solar water heating and seawater air-conditioning, on meeting energy efficiency standards;
- (6) Deleting the requirement for the public benefits fee administrator to develop energy efficiency programs designed to facilitate the achievement of energy efficiency portfolio standards and the annual progress report submission requirement;
- (7) Specifying that the PUC may establish incentives and penalties based on performance by rule or order; and
- (8) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 429, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 429, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.



Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,

Hermina Morita

HERMINA MORITA, Chair



