

STAND. COM. REP. NO. 1291

Honolulu, Hawaii

March 27, 2009

RE: S.B. No. 1065
S.D. 2
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 Committees on Energy & Environmental Protection and Economic Revitalization, Business, & Military Affairs, to which was referred S.B. No. 1065, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY,"

beg leave to report as follows:

The purpose of this bill is to exempt the Natural Energy Laboratory of Hawaii Authority (NELHA) from regulation by the Public Utilities Commission (PUC) for the sale or provision of electricity generated from renewable resources by NELHA to users located on lands leased from the State that are adjacent to the NELHA research and technology park.

NELHA supported this bill. The Consumer Advocate submitted comments.

Your Committees note that the Consumer Advocate indicated that it would not be appropriate for NELHA to be entirely excluded from PUC regulation if NELHA intends to use a utility's grid to transmit energy to its neighbors who lease State property. According to the Consumer Advocate, in this instance, NELHA should be required to meet the performance and safety standards required for transmission and distribution of energy. Your Committee notes that the provisions contained in this bill address this concern.

SB1065 HD1 HSCR EEP-EBM HMS 2009-3233



Your Committees have amended this measure by:

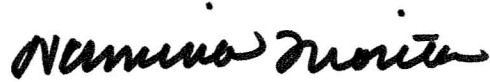
- (1) Changing its effective date to January 1, 2112, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Economic Revitalization, Business, & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1065, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1065, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committees on Energy &
Environmental Protection and
Economic Revitalization,
Business, & Military Affairs,



ANGUS L.K. MCKELVEY, Chair



HERMINA MORITA, Chair



