

STAND. COM. REP. NO.

209

Honolulu, Hawaii

FEB 19 2009

RE: S.B. No. 1065  
S.D. 1

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

Madam:

Your Committees on Energy and Environment and Economic Development and Technology, to which was referred S.B. No. 1065 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 measure is to exempt the Natural Energy Laboratory of Hawaii Authority ("NELHA") from regulation by the Public Utilities Commission if sales of energy are made to users located on adjacent property that is leased from the State.

Testimony in support of this measure was submitted by NELHA. Comments were submitted by the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy (the "Consumer Advocate"). Copies of written testimony are available for review on the Legislature's website.

The Consumer Advocate indicated that while it may be reasonable to exclude NELHA from rate setting, commitment of funds, and other sections applicable to regulating an investor-owned utility, NELHA should be required to meet performance and safety standards required for transmission and distribution of energy if NELHA intends to transmit energy using the utility's grid.

Your Committees find that this measure would make it possible for NELHA to transmit power to adjoining state agencies, reducing

2009-1120 SSCR SMA.doc



their cost of conducting the business of the State. Your Committees find that it would not be appropriate, however, for NELHA to be wholly excluded from regulation.

Your Committees have amended this measure to adopt the Consumer Advocate's recommendations, and by requiring NELHA to meet performance and safety standards required for transmission and distribution of energy if NELHA intends to transmit energy to adjacent users using the utility's grid.

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

Respectfully submitted on  
behalf of the members of the  
Committees on Energy and  
Environment and Economic  
Development and Technology,



CAROL FUKUNAGA, Chair

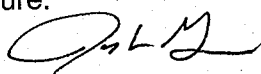


MIKE GABBARD, Chair



The Senate  
 Twenty-Fifth Legislature  
 State of Hawaii

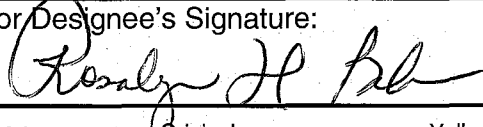
**Record of Votes**  
**Committee on Energy and Environment**  
**ENE**

Bill / Resolution No.:*	Committee Referral:	Date:		
<i>SB 1065</i>	<i>ENE/EDT, CPN</i>			
<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	✓			
<b>TOTAL</b>	<i>5</i>	<i>0</i>	<i>0</i>	<i>2</i>
Recommendation:				
<input checked="" type="checkbox"/> Adopted		<input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:				
				
<b>Distribution:</b>				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

\*Only one measure per Record of Votes

The Senate  
 Twenty-Fifth Legislature  
 State of Hawaii

**Record of Votes**  
**Committee on Economic Development and Technology**  
**EDT**

Bill / Resolution No.:* <b>SB 1065</b>	Committee Referral: <b>ENE/EDT, WAm</b>	Date: <b>2-10-09</b>		
<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
FUKUNAGA, Carol (C)	✓			
BAKER, Rosalyn H. (VC)	✓			
HEE, Clayton				✓
IGE, David Y.				✓
SLOM, Sam	✓			
<b>TOTAL</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes