

STAND. COM. REP. NO.

1701

Honolulu, Hawaii

Ag 15, 2009

RE: S.B. No. 1258
S.D. 2
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 Finance, to which was referred S.B. No. 1258, S.D. 2, 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 encourage the development of renewable energy in the state. This measure, among other things:

- (1) Specifies that, beginning on January 1, 2015, electrical energy savings shall not count toward renewable energy portfolio standards and shall not include customer-sited grid-connected photovoltaic systems;
- (2) Revises the requirements of renewable energy portfolio standards for electric utilities by increasing the 2020 standard to 25 percent and establishing a 40 percent standard to be met by 2030;
- (3) Allows the Public Utilities Commission (PUC) to evaluate and revise renewable energy portfolio standards every five years beginning in 2013;
- (4) Amends the definition of "eligible customer-generators" to include customers who lease or purchase electricity from a renewable energy facility;

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- (5) Prohibits electric utilities from unreasonably denying, burdening, or delaying an eligible customer-generator's request to participate in net energy metering;
- (6) Allows eligible customer-generators with existing net energy metering contracts the option of maintaining these contracts, rather than converting to any new alternative credits or compensation mechanisms established by the PUC;
- (7) Directs the Energy Resources Coordinator to develop programs and incentive plans for renewable energy resources, and assist in the development and financing of renewable energy transmission and infrastructure projects;
- (8) Amends the definition of a "qualified business" under the State Enterprise Zone program to include an entity engaged in the development or production of fuels or thermal or electrical energy from renewable resources;
- (9) Clarifies the permitting duties of the Renewable Energy Facilitator;
- (10) Revises the definition of "renewable energy facility" in the Renewable Energy Facility Siting Process Law to mean a new facility located in the state with the capacity to produce from renewable energy between five megawatts and 200 megawatts of electricity, or a biofuel production facility with a capacity to produce one million gallons annually; and
- (11) Appropriates funds out of the Renewable Energy Facility Siting Special Fund to be used for the purposes of the Special Fund.

The Department of Business, Economic Development, and Tourism, Department of Taxation, PUC, SunPower Systems Corporation, Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, Blue Planet Foundation, Dowling Company, Inc., and Hawaii Renewable Energy Alliance submitted comments.

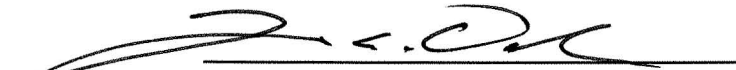
Your Committee has amended this measure by:



- (1) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1258, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1258, S.D. 2, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,


MARCUS R. OSHIRO, Chair



