

Honolulu, Hawaii

FEB 20 2009

RE: S.B. No. 1258  
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 Water, Land, Agriculture, and Hawaiian Affairs and Commerce and Consumer Protection, to which was referred S.B. No. 1258 entitled:

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

beg leave to report as follows:

The purpose of this measure is to do the following:

- (1) Clarify the renewable energy portfolio standards by providing that, beginning in 2015, electrical energy savings will not count towards renewable energy portfolio standards and revising the electric utility companies' renewable portfolio standard;
- (2) Prohibit the Public Utilities Commission from issuing permits to build additional fossil-based electric generation units with rated capacity greater than two megawatts;
- (3) Revise the requirements of the renewable portfolio standards study, in order to reevaluate the renewable energy portfolio standards;
- (4) Authorize the Public Utilities Commission to modify the maximum capacity of eligible customer-generators and to permit designated electrical utility companies to assign customer-generators to different rates, tariffs, or contracts;



- (5) Authorize the Public Utilities Commission to eliminate the limit on eligible customer-generators;
- (6) Assign to the Energy Resources Coordinator responsibilities relating to the development of programs and incentive plans for renewable energy resources;
- (7) Amend the definition of a "qualified business" for purposes of state enterprise zones to include an entity engaged in the development or production of certain alternative or renewable energy resources;
- (8) Clarify the duties of the Renewable Energy Facilitator;
- (9) Authorize the Energy Resources Coordinator to designate certain facilities as a "renewable energy facility", for purposes of certain permitting processing; and
- (10) Institute a "deemed approved" process for permitting of renewable energy facilities if the permitting agency do not act on the applicable permit.

Testimony in support of the measure was submitted by one private organization. Testimony in support of the measure, with suggested amendments, was submitted by one state department and two private organizations. Testimony in opposition was submitted by one private organization. Comments were submitted by one state agency and two private organizations. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that this measure is intended to provide a comprehensive framework for encouraging renewable energy in Hawaii and meeting the State's goals as set forth in the Hawaii Clean Energy Initiative. Your Committees also find that certain provisions of S.B. No. 870, proposed by the Department of Business, Economic Development, and Tourism are more closely aligned with the Hawaii Clean Energy Initiative.

Your Committees have amended this measure by deleting the contents of the measure and inserting a revised version of S.B. No. 870 provided by the Department of Business, Economic Development, and Tourism, which:



- (1) Clarifies the renewable energy portfolio standards by providing that, beginning in 2015, electrical energy savings will not count towards renewable energy portfolio standards and revising the electric utility companies' renewable portfolio standard;
- (2) Revises the requirements of the renewable portfolio standards study, in order to reevaluate the renewable energy portfolio standards;
- (3) Authorizes the Public Utilities Commission to eliminate the limit on eligible customer-generators;
- (4) Assigns to the Energy Resources Coordinator responsibilities relating to the development of programs and incentive plans for renewable energy resources;
- (5) Amends the definition of a "qualified business" for purposes of state enterprise zones to include an entity engaged in the development or production of certain alternative or renewable energy resources;
- (6) Clarifies the duties of the Renewable Energy Facilitator;
- (7) Allows certain biofuel facilities and electricity production facilities to apply to the Energy Resources Coordinator to be designated as a "renewable energy facility", for purposes of certain permitting processing; and
- (8) Institutes a "deemed approved" process for permitting of renewable energy facilities if the permitting agency do not act on the applicable permit.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Water, Land, Agriculture, and Hawaiian Affairs and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1258, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1258, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on behalf of the members of the Committees on Energy and Environment and Water, Land, Agriculture, and Hawaiian Affairs and Commerce and Consumer Protection,



CLAYTON HEE, Chair



MIKE GABBARD, Chair



ROSALYN H. BAKER, Chair







