

STAND. COM. REP. NO.

197

Honolulu, Hawaii

FEB 19 2009

RE: S.B. No. 1675  
S.D. 1

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

Madam:

Your Committee on Energy and Environment, to which was referred S.B. No. 1675 entitled:

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

begs leave to report as follows:

The purpose of this measure is to facilitate and encourage the development of renewable energy development in Hawaii by amending the net energy metering law.

Specifically, this measure:

- (1) Makes net energy metering available to customers leasing or purchasing renewable electricity;
- (2) Prohibits unreasonable denying, burdening, or delaying of net energy metering service requests;
- (3) Increases the maximum allowable capacity of customer generators;
- (4) Removes the calculation of the maximum customer generator total rated generating capacity from being dependent upon utility peak demand;
- (5) Removes the Public Utilities Commission's ability to set generating and maximum capacity, provide exemptions from generating capacity requirements to islands or utility



grid systems, and amend rate structures, standard contracts, and tariffs;

- (6) Enables customer generators to be paid for excess kilowatt-hours without a power purchase contract;
- (7) Ensures validity of net energy metering contracts even if crediting or compensation mechanisms are changed;
- (8) Increases the kilowatts a customer generator may produce before additional requirements may be imposed;
- (9) Directs the adoption of rules to establish best practices interconnection standards for renewable energy generating facilities; and
- (10) Disallows utilities from turning away additional customer generators due to the combined total peak generating capacity of customer generators in the service area.

Testimony in support of this measure was submitted by six private organizations. Testimony in support of the intent, with comments or recommendations, was submitted by two state departments. Testimony in opposition was submitted by one private organization. Comments were submitted by one state department. In particular, there were comments from several testifiers questioning the necessity of compensating customer-generators for annual excess production of energy. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that, by raising the net metering system cap size, this measure allows commercial customers with larger energy bills to invest in renewable energy systems to reduce their electrical load in the same way smaller commercial customers are currently able to do. Your Committee also finds that, by eliminating the limit on the number of net metering systems, this measure will also provide some certainty to developers or builders who are contemplating installing systems, allowing them to take advantage of net metering.

Your Committee has amended this measure by deleting the requirement that customer-generators be compensated for annual excess production of energy.



191

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1675, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1675, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Respectfully submitted on  
behalf of the members of the  
Committee on Energy and  
Environment,



---

MIKE GABBARD, Chair



