

STAND. COM. REP. NO.

2080

Honolulu, Hawaii

FEB - 9 2010

RE: S.B. No. 2357  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Madam:

Your Committee on Energy and Environment, to which was referred S.B. No. 2357 entitled:

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

begs leave to report as follows:

The purpose of this measure is to establish renewable portfolio standards for natural gas utility companies with oversight by the Public Utilities Commission.

Testimony in support of this measure was submitted by three organizations. One state agency supports the intent, and one state agency submitted comments. Testimony in opposition was submitted by one organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The Gas Company has publicly stated its commitment to using renewable energy sources for the production of synthetic natural gas, and aims in five years to be deriving fifty per cent from renewable energy sources. Presently, five per cent of the Company's production at its Campbell Industrial Park plant is from agricultural feedstocks. Your Committee recognizes The Gas Company's concerns about being required to meet the same renewable portfolio standards as electric utility companies. Your Committee finds that despite The Gas Company's public commitment, the Public Utilities Commission and the Legislature need to carefully monitor the voluntary actions taken by The Gas Company. This monitoring will help ensure the Legislature is able to determine the State's



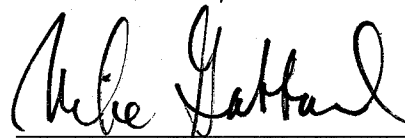
progress toward meeting our Hawaii Clean Energy Initiative goal of seventy per cent clean, renewable energy by 2030.

Your Committee has amended this measure by removing the contents of the measure and replacing it with a new section to be added to chapter 269, Hawaii Revised Statutes, to:

- (1) Require the natural gas utility companies to annually report to the Public Utilities Commission the:
  - (A) Percentage of natural gas products sold and distributed in the State derived from renewable energy and the percentage from fossil fuels; and
  - (B) The quantity and energy value of natural gas products derived from renewable energy and the quantity and energy value from fossil fuels;
- (2) Require the Public Utilities Commission to submit a copy of the annual report to the Legislature; and
- (3) Define "renewable energy" to include non-petroleum feedstock appropriate for the production of synthetic natural gas.

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. 2357, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2357, 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



