

STAND. COM. REP. NO.

2174

Honolulu, Hawaii

FEB 11 2010

RE: S.B. No. 2488
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. 2488 entitled:

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

begs leave to report as follows:

The purpose of this measure is to require the electric utilities to compensate net metering surplus customer-generators for excess electricity generated by the customer-generators at the end of the twelve-month reconciliation period and direct the Public Utilities Commission to determine the net surplus compensation rate.

Testimony in support was submitted by five organizations. One state agency and two organizations submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that net energy metering is an essential component of Hawaii's shift to relying on renewable energy. This measure will ensure that customers receive adequate compensation for their investment in renewable energy technologies, and prevent electric utility companies from selling electricity received from customers for no compensation. As the Public Utilities Commission explores alternative compensation systems for the renewable energy marketplace, your Committee finds that net energy metering remains a viable incentive to encourage continued growth of renewable energy investments.



Your Committee has amended this measure by:

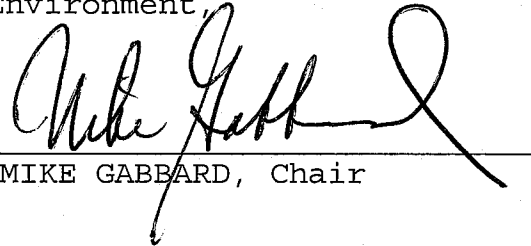
- (1) Inserting certain provisions concerning net energy metering from S.B. No. 2333, including:
 - (A) The purpose section;
 - (B) The provision permitting existing net-metered customers to remain with the net metering program once alternative credits or compensation mechanisms are created;
 - (C) The amendment to the definition of "eligible customer-generator" to include customers who lease or purchase electricity from a qualifying facility;
 - (D) The provision increasing eligible customer-generator capacity to two megawatts; and
 - (E) The provision allowing customer-generators up to five hundred kilowatts before the Public Utilities Commission's approval for safety and performance standards is required and requiring the Public Utilities Commission to initiate rulemaking to adopt interconnection standards for certain renewable energy facilities;
- (2) Increasing the total allowable generating capacity produced by customer-generators from 0.5 per cent of a utility's peak demand to fifteen per cent of the customer-generators distribution feeder's penetration level or the penetration level that triggers additional technical study, as determined by the Public Utilities Commission by rule or order, whichever is higher;
- (3) Amending the definition of "net surplus electricity compensation rate" to mean the rate established for export energy under the feed-in tariff for that project size;
- (4) Clarifying that the net surplus electricity compensation rate shall be set at the prevailing feed-in tariff rate for the project size for the year the project is placed in service;



- (5) Changing the date upon which net surplus electricity compensation shall begin to accrue from July 1, 2010 to September 1, 2010; and
- (6) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and formatting.

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. 2488, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2488, 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



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Energy and Environment
ENE

Bill / Resolution No.:* SB 2488	Committee Referral: ENE, CPN	Date: 4 Feb 2010		
<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	/			
TOTAL	4			3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>J. Kalani English</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes