

SB 2407

**TESTIMONY OF CARLITO P. CALIBOSO
CHAIRMAN, PUBLIC UTILITIES COMMISSION
DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE
SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
FEBRUARY 24, 2010**

MEASURE: S.B. No. 2407 S.D.1
TITLE: Relating to Renewable Energy

Chair Baker and Members of the Committee:

DESCRIPTION:

This bill would provide a credit to Lanai and Molokai electricity users if the islands export electricity for consumption on another island.

POSITION:

The Commission takes no position on the bill at this time and defers to the legislature on the policy objectives of this bill, and provides the following comments.

COMMENTS:

- The Commission understands the desire to provide some compensation to residents of an island that may host a large energy project that exports most of the energy to another island, and that this is an issue that needs to be addressed if such exports are to take place. This would involve the subsidization of the electricity rates on some islands by customers located on other islands. That is an appropriate policy issue for the legislature to decide.

Thank you for the opportunity to testify.

**Testimony before the
Senate Committee on**

Commerce & Consumer Protection

S.B. 2331 S.D. 1-- Relating Renewable Energy

Wednesday, February 24, 2010

10:00 am, Conference Room 229

**By Arthur Seki
Director, Renewable Technology
Hawaiian Electric Company, Inc.**

Chair Baker, Vice-Chair Ige and Members of the Committee:

My name is Arthur Seki. I am the Director of Renewable Technology for Hawaiian Electric Company. I am testifying on behalf of Hawaiian Electric Company (HECO) and its subsidiary utilities, Maui Electric Company (MECO) and Hawaii Electric Light Company (HELCO), hereby referred to collectively as the HECO Utilities.

The HECO Utilities support S.B. 2331 S.D. 1, which calls for a 2% agricultural energy renewable portfolio standard ("RPS") to be met by the end of 2014. We thank the previous committee for taking our recommendation in S.D 1 which makes the bill flexible by adding an agricultural energy supply requirement.

The HECO Utilities are committed to exploring and using agricultural energy (biofuels) in its existing and planned generating units. The use of biomass and biofuels can reduce the State's dependence on imported oil and increase the amount of renewable energy from sustainable resources. This commitment by the HECO Utilities is demonstrated by the following initiatives:

- Purchases 12 MW of bagasse-fired electrical generation from HC&S sugar mill in Puunene, Maui;

- Installed a 113 MW power plant in 2009 at Campbell Industrial Park to be 100% biofueled;
- Signed a 5 MW power purchase contract for waste biomass-fired electrical generation from a plywood veneer facility on the Big Island;
- Negotiating new contract for a biomass to electricity facility on the Big Island;
- Tested biodiesel in its diesel engines and combustion turbine at MECO's Maalaea power plant and planning to conduct further tests;
- Planning for a 30-day test at Kahe 3 biofuel co-firing demonstration in a steam boiler generating unit for late 2010;
- Provided 3 years of seed funding to the Hawaii Agriculture Research Center ("HARC") and the agriculture departments at the University of Hawaii's Manoa and Hilo campuses to conduct biofuel crop research with a 4th year of funding to follow this year; and
- Evaluating micro-algae for biofuels production using power plant emissions.

Thank you for the opportunity to present this testimony.

baker5 - Leo

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 22, 2010 8:29 AM
To: CPN Testimony
Cc: jepsona001@hawaii.rr.com
Subject: Testimony for SB2407 on 2/24/2010 10:00:00 AM

Testimony for CPN 2/24/2010 10:00:00 AM SB2407

Conference room: 229
Testifier position: oppose
Testifier will be present: No
Submitted by: Andrea Jepson
Organization: Individual
Address: 1111 Koohoo Place kailua, HI 96734
Phone: 808 263-8202
E-mail: jepsona001@hawaii.rr.com
Submitted on: 2/22/2010

Comments:

I think the concept of this bill is commendable but have no idea what household consumes less than 100 kilowatt hours per month. I would assume they have no refrigerator, no tv, no stove, no computer. A few very dim light sources perhaps. Even with energy saver appliances you cannot use less than 100 kilowatt hours per month. I am assuming that there is a mistake, otherwise no one is going to benefit from this bill. So I oppose it because what is the point.

baker5 - Leo

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 22, 2010 11:11 AM
To: CPN Testimony
Cc: williamsd@wave.hicv.net
Subject: Testimony for SB2407 on 2/24/2010 10:00:00 AM

Testimony for CPN 2/24/2010 10:00:00 AM SB2407

Conference room: 229
Testifier position: comments only
Testifier will be present: No
Submitted by: Douglas Williams
Organization: Individual
Address: 180 Kauna'oa Drive Lanai City, Hi
Phone: 808 565-7688
E-mail: williamsd@wave.hicv.net
Submitted on: 2/22/2010

Comments:

In reading the bill, it states credits will be received by meters using 100 KW or less. This must be a typo. That is onlt 1 or 2 light bulbs in shed or outhouse per month. Please confirm/ correct the amount.

baker5 - Leo

From: Pat Reilly [reillyp41@yahoo.com]
Sent: Monday, February 22, 2010 2:57 PM
To: CPN Testimony; CPN Testimony
Subject: SB2407 SD1: OPPOSE LANAI

Follow Up Flag: Follow up
Flag Status: Completed

Dear Members,

As an individual I oppose the current language of SB2407 SD1 as convoluted and incomprehensible without specific details of the terms and conditions of any tax credit.

AGREE in principle that the consumers of any island producing significant energy for consumers of O'ahu while utilizing extensive areas of Conservation land should receive benefit.

If the testimony of Mr. Curtis, Life of the Land is correct NONE on Lana'i would qualify as every consumer of whom I am aware exceeds the 100kWh per month and the calculated credit would amount to only 9% if a consumer utilized less than 100kWh/month.

I recommend a direct percent within the language of the bill. For the twenty year duration of the proposed wind farm for Lana'i consumers should receive 100% credit up to the amount of 400 kWh/month minimum.

Lana'i consumers are ardent hunters and fishers with freezers and refrigerators required to store the meat and fish. Please review the calculations and the intent of this bill.

Mahalo,
Fairfax Reilly
468 Ahakea Street
P. O. Box 630111
Lanai City, HI 96763
808-565-6025(Home)

baker5 - Leo

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 22, 2010 8:12 PM
To: CPN Testimony
Cc: anmevans@gmail.com
Subject: Testimony for SB2407 on 2/24/2010 10:00:00 AM

Testimony for CPN 2/24/2010 10:00:00 AM SB2407

Conference room: 229
Testifier position: oppose
Testifier will be present: No
Submitted by: Martha Evans
Organization: Individual
Address: 539 Akolu Place Lanai City, HI 96763
Phone: 808 565-6944
E-mail: anmevans@gmail.com
Submitted on: 2/22/2010

Comments:

Current wording in the bill would limit the credit to households using less than 100 kilowatt hours per month. My latest bill from MECO is for 274 KWH for 28 days. We have a solar water heater, have replaced all light fixtures with energy efficient bulbs, use energy efficient appliances, and natural light as much as possible. Unless there is a typographical error in this bill, it will not address the concerns of those of us on Moloka`i and Lana`i who are expected to sacrifice our history, cultural resources and view planes, as well as access to hunting and fishing resources so that O`ahu can achieve its energy goals. Big business wins again! Please oppose passage of this bill in its current form.

COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
Senator Rosalyn H. Baker, Chair, Senator Davie Y, Ige, Vice Chair

Submitted by:

Sally Kaye
P.O. Box 631313
511 Ilima Avenue
Lana'i City, HI 96763

I **STRONGLY OPPOSE** SB 2407 for the following reasons:

- This complicated, formulaic attempt to appease ratepayers on an island being asked to assume the burden of producing energy for another island, is unfairly based on a fluctuating level of consumption on the consuming island, not the capacity of the generating island.
- An island's people should not be permanently dispossessed of open space, view planes, cultural sites and other resources by calculating a minimal credit on fluctuating consumption of the consuming island, something beyond the control of the generating island.
- More significantly, as this bill is written it appears that the "generating island electric credit" would only be available to those who qualify as an "eligible residential electric meter." This is defined as "a residential dwelling that consumes less than 100 kilowatt-hours of electricity per month."
- Members of this Committee: please review your electricity bills. This measure as written would result in virtually no one, on any island, qualifying for the proposed minimal credit.

I **OPPOSE** SB 2407 and urge this Bill be filed.

Thank you for this opportunity to testify to your Committee.

Eric Arquero

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 23, 2010 12:47 PM
To: CPN Testimony
Cc: greenfamily25@hotmail.com
Subject: Testimony for SB2407 on 2/24/2010 10:00:00 AM

Testimony for CPN 2/24/2010 10:00:00 AM SB2407

Conference room: 229
Testifier position: comments only
Testifier will be present: No
Submitted by: David Green
Organization: Individual
Address: PO Box 631700 Lanai City, HI
Phone:
E-mail: greenfamily25@hotmail.com
Submitted on: 2/23/2010

Comments:

While I support the purpose of this bill, I believe that the definition of an "eligible residential electric meter" as one that consumes "less than 100 kilowatt hours per month" makes the bill a "feel good" effort with NO real impact as virtually NO inhabited residence on Lanai would receive a credit. 100 KWH/month is absurdly low. Check your own electric bills. Therefore, I recommend that the definition be changed to eliminate "eligible" and the KWH/month limit. The result would be that ALL residential electric meters on a qualifying island would receive an electric credit.

Eric Arquero

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 23, 2010 1:03 PM
To: CPN Testimony
Cc: sjxclemens@yahoo.com
Subject: Testimony for SB2407 on 2/24/2010 10:00:00 AM

Testimony for CPN 2/24/2010 10:00:00 AM SB2407

Conference room: 229
Testifier position:
Testifier will be present: No
Submitted by: Sally Clemens
Organization: Individual
Address: Lanai City, Hawaii
Phone:
E-mail: sjxclemens@yahoo.com
Submitted on: 2/23/2010

Comments:

We live on the island of Lana'i. This bill is designed to provide an electric credit' to 'eligible residential electric meters' on any island that generates and exports energy for benefit of another island (i.e. Lana'i). Eligibility is stated for residential meters that consume 'less than 100 kilowatt hours per month'. This is impossible to be lower than 100 k per month.

Most homes here are anywhere between 1000-2000, at least, depending on the size of the home. We request this monthly figure be revised to be more equitable for all of Lana'i homeowners.