

SB 2488

**Testimony before the
Senate Committee on
Commerce and Consumer Protection**

S.B. 2488 S.D. 1 -- Relating to Renewable Energy

**Thursday, February 25, 2010
9:30 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).

We recognize the Legislature's strong interest in seeing more renewable energy development in the State and are committed not only to supporting renewable energy development but also to conservation and energy efficiency practices to reduce the State's dependence on imported oil. We have testified in previous legislative sessions in support of several Net Energy Metering (NEM) measures, including the Act which enacted the NEM law.

We do not, however, support S.B. 2488 S.D. 1. The Public Utilities Commission (PUC) can currently make modifications to the NEM tariff by rule or order, so this bill is unnecessary. The PUC has already shown its ability to make such modifications to the NEM tariff when it approved the following changes to NEM in 2008 (Docket No. 2006-0084):

- Increased the maximum size of the eligible customer-generator that can qualify for a NEM agreement from 50 kW to 100 kW;

- Increased the total rated generating capacity produced by eligible customer-generators from 0.5% to 1.0% of the utility's system peak demand;
- Reserved 40%, 50%, and 50% of the total rated generating capacity produced by eligible customer-generators for HECO, HELCO, and MECO, respectively, for residential and smaller commercial NEM customers (system sizes of 10 kW or less);
- Utilized the Integrated Resource Planning (IRP) process to evaluate impact to the utilities' systems and determine further adjustments to the NEM system size and cap limits (limits are re-examined on an annual basis).

With the tremendous growth in NEM activity over the years, the PUC also approved:

- Increasing the total rated generating capacity produced by eligible customer-generators from 1.0% to 3.0% of the utility's system peak demand for HELCO and MECO; and
- Updating the percentage to 40%, and 40% of the total rated generating capacity produced by eligible customer-generators for HELCO, and MECO, respectively, for residential and smaller commercial NEM customers (system sizes of 10 kW or less).

We strongly support the continued role of the PUC and the regulatory review process to examine these program design details. This is especially important given the complexity of the technical, cost, and regulatory policy issues associated with net metering and other renewable energy development mechanisms administered by the PUC.

Thus since the PUC can currently make modifications to the NEM tariff, by rule or order, and has done so in recent dockets or proceedings, we ask that you hold this bill.

Thank you for the opportunity to testify.