

Honolulu, Hawaii

April 28, 2011

RE: H.B. No. 1520
H.D. 2
S.D. 2
C.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 1520, H.D. 2, S.D. 2, entitled:

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

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this bill is to support the State's overall clean energy objectives by, among other things:

- (1) Directing the Public Utilities Commission (PUC) to consider implementing an on-bill financing program for residential electric utility customers to finance purchases of energy efficient or renewable energy devices and systems through their regular electric utility bills;



- (2) Specifying that all administrative costs of establishing an on-bill financing program shall be paid from the public benefits fee;
- (3) Requiring the PUC to determine a reasonable percentage of collected public benefits fees in any given year that shall be expended on an on-bill financing program;
- (4) Requiring the PUC to ensure that all reasonable costs incurred by electric utilities to start up and implement the on-bill financing program are recovered as part of the utility's revenue requirement; and
- (5) Directing the PUC to seek to address the problem of underinvestment in solar energy and energy efficiency in certain underserved markets when it considers implementing an on-bill financing program.

Hawaii is one of the most fossil fuel dependent states in the nation despite having some of the most diversified renewable energy options and sources in the world. Unfortunately, financial barriers often prohibit Hawaii residents and businesses from purchasing renewable energy systems or energy efficient devices. On-bill financing is one tool to promote the adoption of energy efficiency and renewable energy technology by overcoming the barrier of up-front costs.

While your Committee on Conference agrees that an on-bill financing program does have the potential to increase the use of energy efficient devices and the purchase of renewable energy technology, your Committee on Conference also finds that numerous questions remain regarding the implementation of such a program. Accordingly, your Committee on Conference has amended this bill by:

- (1) Requiring the PUC to investigate an on-bill financing program that would allow an electric utility company customer to purchase or otherwise acquire a renewable energy system or energy efficient device by providing for billing and payment of such a system or device through an assessment on the customer's electricity bill rather than requiring the PUC to consider implementing such a program;



- (2) Stipulating considerations the PUC may take into account when investigating the on-bill financing program;
- (3) Allowing the PUC to implement an on-bill financing program by decision and order or by rules pursuant to Chapter 91, Hawaii Revised Statutes, if on-bill financing is determined by the PUC to be viable;
- (4) Deleting language that:
 - (A) Specified that all administrative costs of establishing an on-bill financing program shall be paid from the public benefits fee;
 - (B) Required the PUC to determine a reasonable percentage of collected public benefits fees in any given year to be expended on an on-bill financing program;
 - (C) Required the PUC to ensure that all reasonable costs incurred by electric utilities to start up and implement the on-bill financing program are recovered as part of the utility's revenue requirement; and
 - (D) Directed the PUC to seek to address the problem of underinvestment in solar energy and energy efficiency in certain underserved markets when it considers implementing an on-bill financing program;
- (5) Changing its effective date to July 1, 2011; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.


As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1520, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1520, H.D. 2, S.D. 2, C.D. 1.




Respectfully submitted on behalf
of the managers:

ON THE PART OF THE SENATE

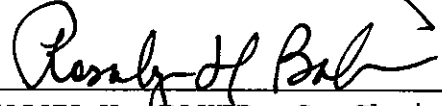
ON THE PART OF THE HOUSE



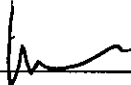
MIKE GABBARD, Chair



DENNY COFFMAN, Co-Chair



ROSALYN H. BAKER, Co-Chair



ROBERT N. HERKES, Co-Chair



Hawaii State Legislature

Record of Votes of a
Conference Committee

CCR 69

Bill / Concurrent Resolution No.: HB 1520, HD 2, SD 2	Date/Time: 4-28-2011 / 3:25 PM
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
GABBARD, Mike, Chr.	✓				COFFMAN, Denny, Co-Chr.	✓			
BAKER, Rosalyn H., Co-Chr.	✓				HERKES, Robert N., Co-Chr.	✓			
IHARA, Les, Jr.				✓	ITO, Ken				✓
					KAWAKAMI, Derek S.K.				✓
					THIELEN, Cynthia	✓			
TOTAL	2	0	0	1	TOTAL	3	0	0	2

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature:
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