

STAND. COM. REP. NO.

355

Honolulu, Hawaii

Feb 17, 2011

RE: H.B. No. 1520
H.D. 1

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

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 1520 entitled:

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

begs leave to report as follows:

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

- (1) Specifying that third-party owners and operators of on-site solar heat and energy generating systems are exempt from being regulated as a public utility; and
- (2) Requiring the Public Utilities Commission (PUC) to monitor the impact of the growth of non-utility renewable energy providers on existing electric utility ratepayers.

The Solar Alliance, Hawaii Renewable Energy Alliance, Hawaii Solar Energy Association, and SolarCity testified in support of this bill. The Chair of the PUC provided comments.

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. With our abundance of sunshine, solar energy represents an immediately available and substantial renewable energy opportunity. Unfortunately, financial barriers often prohibit Hawaii residents and businesses

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from purchasing solar energy systems. Third-party suppliers of solar energy may offer these individuals an alternative. However, third-party suppliers of solar energy should not be confused with a public utility in that they provide supplemental power to a customer who generally remains on the electric public utility grid. This measure clarifies this matter.

Your Committee notes, however, that forms of renewable energy systems, other than solar, may currently exist and should be included in this exemption. As such, your Committee has amended this bill by:

- (1) Applying the exemption from public utility regulation to renewable energy systems, rather than just solar energy systems, and replacing the definition of "solar energy system" with "renewable energy system";
 - (2) Requiring, for purposes of the exemption, that the renewable energy system be located on another person's property, rather than a customer's property, and that electricity from the system be provided, sold, or transmitted exclusively to the property owner or to an electric utility, or both;
 - (3) Amending the monitoring requirements of the PUC to include:
 - (A) The impact of net energy metering, including accounting of costs and benefits on electric utility ratepayers to minimize adverse impacts; and
 - (B) Information from both the utility and renewable energy provider;
- and
- (4) Amending the purpose section of the bill to reflect these changes.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1520, as amended herein, and recommends that



it pass Second Reading in the form attached hereto as H.B. No. 1520, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,

Denny Coffey Vice Chair

for

HERMINA MORITA, Chair



State of Hawaii
House of Representatives
The Twenty-sixth Legislature

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Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.: HB 1520	Committee Referral: EEP, CPC	Date: 2-10-2011		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EEP Members	Ayes	Ayes (WR)	Nays	Excused
1. MORITA, Hermina M. (C)				✓
2. COFFMAN, Denny (VC)	✓			
3. CABANILLA, Rida T.R.				✓
4. CARROLL, Mele				✓
5. CHANG, Jerry L.	✓			
6. CHONG, Pono	✓			
7. HAR, Sharon E.	✓			
8. HERKES, Robert N.	✓			
9. ITO, Ken	✓			
10. NAKASHIMA, Mark M.	✓			
11. RIVIERE, Gil	✓			
12. THIELEN, Cynthia	✓			
TOTAL (12)	9	0	0	3
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 0.8em;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u> <i>Denny Coff</i> </u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				