

STAND. COM. REP. NO.

1049

Honolulu, Hawaii

APR 05 2011

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

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

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 1520, H.D. 2, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to direct the Public Utilities Commission to implement 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.

Your Committee received testimony in support of this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs; Blue Planet Foundation; Hawaii Solar Energy Association; Sierra Club, Hawai'i Chapter; and two individuals. Your Committee received testimony supporting the intent of this measure from Hawaiian Electric Company, Inc., and the Public Benefits Fee Administrator. Your Committee received testimony in opposition to this measure from the Public Utilities Commission and Kauai Island Utility Cooperative. Your Committee received comments on this measure from the Hawai'i Association of REALTORS.

Your Committee finds that on-bill financing is a powerful tool to promote the adoption of energy efficiency and renewable energy technology by overcoming the barrier of up-front costs. Your Committee further finds that there is broad support for the



intent of this measure even though stakeholders in the matter may have differences regarding the details of implementation.

Your Committee has amended this measure by:

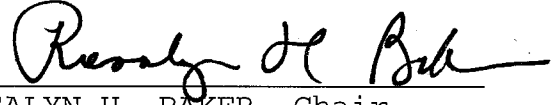
- (1) Specifying that the Public Utilities Commission shall consider implementing an on-bill financing program;
- (2) Clarifying that all administrative costs of establishing an on-bill financing program shall be paid from the public benefits fee;
- (3) Directing the Public Utilities Commission to seek 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;
- (4) Inserting an effective date of July 1, 2050, to allow for further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee finds that the amendments made to this measure address concerns related to the immediate implementation of this measure, which were raised by several stakeholders in the issue. Your Committee further finds that the amendment directing the Public Utilities Commission to investigate the problem of underinvestment in renewable energy in certain markets that are currently underserved will make renewable energy and related energy bill savings available to more Hawaii residents.

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



Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,



ROSALYN H. BAKER, Chair



