

STAND. COM. REP. NO.

521

Honolulu, Hawaii

MAR 03 2011

RE: S.B. No. 704
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 S.B. No. 704, 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 exempt third party solar energy systems from the definition of "public utility".

Your Committee received testimony in support of this measure from the Public Utilities Commission of the Department of Budget and Finance and The Solar Alliance.

Your Committee finds that clarifying the classification of third party renewable energy systems serves at least two distinct and equally meritorious purposes: encouraging innovative entrepreneurship in the provision of renewable energy to consumers and making renewable energy available to a wide range of individual consumers. Your Committee further finds that, while third party providers of renewable energy systems to energy consumers are not explicitly included in the definition of public utilities, the current law may be ambiguous on the matter. Finally, your Committee finds that expanding this measure to include providers of all types of renewable energy systems, not limited to solar energy, will allow more entrepreneurs and more consumers to participate in the renewable energy market.

Accordingly, your Committee has amended this measure by:

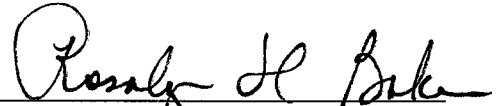
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- (1) Adopting the recommendation of the Public Utilities Commission to exempt third party owners, controllers, operators, or managers of renewable energy systems, not limited to those of solar energy systems, from the definition of "public utility"; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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 S.B. No. 704, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 704, S.D. 2.

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



ROSALYN H. BAKER, Chair



