

**TESTIMONY OF CARLITO P. CALIBOSO  
CHAIRMAN, PUBLIC UTILITIES COMMISSION  
DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE  
HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION  
FEBRUARY 1, 2011**

**MEASURE:** H.B. No. 1520

**TITLE:** Relating to Renewable Energy.

Chair Morita and Members of the Committee:

**DESCRIPTION:**

This bill exempts third-party customer-generated solar energy facilities and equipment from the definition of public utility. This bill also requires the Public Utilities Commission ("Commission") to monitor the impact of the growth of non-utility renewable energy providers on existing electric utility ratepayers.

**POSITION:**

The Commission does not object to this bill.

**COMMENTS:**

Under the current definition of "public utility" in Section 269-1, HRS, it could be argued that the innovative business models of companies such as SunRun place them within the definition of a public utility. While the Commission may not find such an argument persuasive, it may be best to clarify the law so that companies using these business models can continue to help more Hawaii consumers benefit from solar energy systems on their properties.

The Commission suggests that if this bill is passed, it would be reasonable to include other types of renewable energy that can be net metered.

Thank you for the opportunity to testify.

# HAWAII RENEWABLE ENERGY ALLIANCE

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## TESTIMONY OF WARREN BOLLMEIER ON BEHALF OF THE HAWAII RENEWABLE ENERGY ALLIANCE BEFORE THE HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

### HB 1520, RELATING TO RENEWABLE ENERGY

February 1, 2011

Chair Morita, Vice-Chair Coffman and members of the Committee I am Warren Bollmeier, testifying on behalf of the Hawaii Renewable Energy Alliance (HREA). HREA is an industry-based, nonprofit corporation in Hawaii established in 1995. Our mission is to support, through education and advocacy, the use of renewables for a sustainable, energy-efficient, environmentally-friendly, economically-sound future for Hawaii. One of our goals is to support appropriate policy changes in state and local government, the Public Utilities Commission and the electric utilities to encourage increased use of renewables in Hawaii.

The purposes of HB 1520 are to: (i) exempt third-party customer-generated solar energy facilities and equipment from the definition of public utility, and (ii) direct the PUC to monitor the impact of decoupling on existing electric utility ratepayers.

HREA strongly **supports** this measure as it supports the state's overall clean energy objectives, and we offer the following comments in support:

- (1) Private Utility non Public Utility. By their nature, solar facilities and other customer-site renewables such as wind, biomass and hydro, help individual (or a small group of) consumers meet their energy needs. We view the developer or energy service company that provides the facility to the consumer(s) as "private utilities", rather than public utilities that serve a large number of consumers, and which also may have the "obligation to serve" via a monopoly franchise. Therefore, these third-party customer-generated solar energy facilities or the developer or energy service company are not public utilities.
- (2) Additional Technologies. Given our comments above, we recommend customer-generated wind, biomass and hydro facilities be included in this measure. These technologies are currently eligible, along with solar, for net energy metering, and wind and in-line hydro are also eligible (along with solar) for feed-in tariffs.

In summary, this measure (if amended as recommended above) will provide a valuable benefit to all customers that are considering installation of on-site wind, solar, biomass and hydro facilities under net metering, feed-in tariff or other agreements, such as standard interconnection agreements.

Thank you for this opportunity to testify.



**Hawaii Solar Energy Association**  
*Serving Hawaii Since 1977*

**February 1, 2011**  
**8:00AM**

**HOUSE**  
**COMMITTEE ON ENERGY AND**  
**ENVIRONMENTAL PROTECTION**  
**HB 1520**

**Mark Duda**  
**President**

**TESTIMONY IN SUPPORT**

Aloha Chair Morita, Vice Chair Coffman, and Members of the Committee:

The Hawaii Solar Energy Association (HSEA) supports HB 1520, which exempts third-party owners/operators of solar systems from the definition of "public utility."

HSEA notes that third-party owner/operators of solar systems provide only supplemental power from a specific system to a specific customer. This customer remains connected to the grid under a contract with a regulated utility. Under these conditions, the third party owner should not be regulated as a public utility, that is, as an entity that sells electricity to the general public.

In addition, this model of third-party ownership/operation is critical to the State's ability to meet its clean energy goals as it allows for the further adoption of solar systems by businesses and homeowners who want to be part of this clean energy movement, but whom do not have the means to finance a system on their own. Even more importantly, the State itself has a number of contracts out in which it procures power under third-party contracts, including those at the DOTA, DOE, and UH Community Colleges; as well as projects for the Counties. If the providers of these power purchase contracts are regulated as utilities they will surely avoid doing business in the state as the cost of compliance vastly outweighs the value of the contracts.

Thank you for the opportunity to testify on this measure.

Mark Duda  
President, Hawaii Solar Energy Association

**About Hawaii Solar Energy Association**

*Hawaii Solar Energy Association (HSEA) is comprised of installers, distributors, manufacturers and financiers of solar energy systems, both hot water and PV, most of which are Hawaii based, owned and operated. Our primary goals are: (1) to further solar energy and related arts, sciences and technologies with concern for the ecologic, social and economic fabric of the area; (2) to encourage the widespread utilization of solar equipment as a means of lowering the cost of energy to the American public, to help stabilize our economy, to develop independence from fossil fuel and thereby reduce carbon emissions that contribute to climate change; (3) to establish, foster and advance the usefulness of the members, and their various products and services related to the economic applications of the conversion of solar energy for various useful purposes; and (4) to cooperate in, and contribute toward, the enhancement of widespread*

*understanding of the various applications of solar energy conversion in order to increase their usefulness to society.*