

SB1346, SD1

Measure Title: RELATING TO RENEWABLE PORTFOLIO STANDARDS.

Report Title: Renewable Portfolio Standards

Description: Amends definition of "renewable electrical energy" to include, beginning 1/1/15, net electricity delivered from customer-sited, grid-connected renewable energy generation. Effective 7/1/2050. (SD1)

Companion:

Package: None

Current Referral: ENE, CPN

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**TESTIMONY OF CARLITO P. CALIBOSO
CHAIRMAN, PUBLIC UTILITIES COMMISSION
DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE
SENATE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS**

FEBRUARY 24, 2011

MEASURE: S.B. No. 1346 SD1
TITLE: Relating to Renewable Portfolio Standards.

Chair Baker and Members of the Committee:

DESCRIPTION:

This bill amends the definition of "renewable electrical energy" to include, beginning on January 1, 2015, customer-sited, grid connected renewable energy generation.

POSITION:

The Commission takes no position on the bill, and provides the following comments.

COMMENTS:

Under the current law, it is unclear how customer-sited, grid-connected renewable energy generation will be treated starting in 2015, when electrical energy savings will no longer count toward a utility's renewable portfolio standards ("RPS"). The amendment to existing law in this bill sought to remove confusion by expressly stating that "net electricity delivered to the utility from customer-sited, grid-connected renewable energy generation" will count towards the electric utilities' RPS.

The original draft of SB 1346 would have allowed the utilities to count all energy produced by net-metered systems toward their RPS requirements. The amendment in SD1, however, would allow electric utilities to count only the net amount delivered to them. This will greatly reduce the amount of renewable energy that the electric utility can count toward its renewable portfolio standard, and therefore, probably lessen the utilities' incentive to support and encourage customer-sited, grid-connected renewable energy generation.

Thank you for the opportunity to testify.

Testimony before the Senate Committee on

Commerce and Consumer Protection

S.B. 1346 S.D.1 – Relating to Renewable Portfolio Standard

Thursday, February 24, 2011
11:00 am, Conference Room 229

By Art Seki
Director, Renewable Technology
Hawaiian Electric Company, Inc.

Chair Baker, Vice Chair Taniguchi and members of the Committee:

My name is Art Seki—I am the Director of Renewable Technology at Hawaiian Electric Company. I am testifying on behalf of Hawaiian Electric Company and its subsidiaries, Maui Electric Company (MECO) and Hawaii Electric Light Company (HELCO).

We do not support S.B. 1346 S.D.1, which added the phrase "...net electricity delivered to the utility from..." in section 1, paragraph (1) in the original S.B. 1346 text. This added phrase would prevent HECO Utilities from including large photovoltaic installations at commercial customer locations into the renewable portfolio standard ("RPS") calculations because most of these installations while connected to the electrical grid may not have any net electricity delivered to the utility.

As you know, Hawaii has very ambitious RPS milestones. To meet these RPS milestones will require contributions from all renewable energy resources--large and small--to reduce our oil imports, protect the environment and provide better energy security

We support the original text in S.B. 1346 which provides for continued inclusion of customer-sited, grid-connected renewable energy generation in the RPS calculations after 2015. This is the current practice in calculating RPS levels, which provides our ratepayers with a clear value from a program such as net energy metering.

The Hawaiian Electric Utilities are committed to increasing the amount of renewable energy from sustainable resources in order to reduce Hawaii's dependence on imported oil. This measure will further this objective.

Thank you for the opportunity to testify.