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**RICHARD C. LIM**

**Interim Director**

Department of Business, Economic Development, and Tourism

before the

**COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION**

Tuesday, March 15, 2011

9:00 am.

State Capitol, Conference Room 325

in consideration of

**SB 1346 SD2**

**RELATING TO RENEWABLE PORTFOLIO STANDARDS.**

Good Afternoon Chair Morita, Vice Chair Coffman, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) supports SB 1346 SD2, which amends the definition of "renewable electrical energy" in Hawaii's Renewable Portfolio Standards law to include all renewable energy delivered to the utility from customer-sited, grid-connected renewable energy generation, beginning January 1, 2015.

The amendment clarifies Hawaii's RPS law and appropriately includes all renewable energy delivered to the utility from customer-sited, grid connected renewable energy generation as part of the RPS. DBEDT supports the passage of this bill.

Thank you for the opportunity to testify.

**TESTIMONY OF CARLITO P. CALIBOSO  
COMMISSIONER, PUBLIC UTILITIES COMMISSION  
DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON  
ENERGY & ENVIRONMENTAL PROTECTION  
MARCH 15, 2011**

**MEASURE: S.B. No. 1346 SD2**

**TITLE: Relating to Renewable Portfolio Standards.**

Vice Chair Coffman 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 Public Utilities Commission ("Commission") takes no position on the bill, which is similar to H.B. 982, which was previously approved by this committee.

**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 in this bill removes any confusion by expressly stating that all customer-sited, grid-connected renewable energy generation will count towards the electric utilities' RPS.

Thank you for the opportunity to testify.

# **Testimony before the House Committee on**

## **Energy & Environmental Protection**

### **S.B. 1346 S.D. 2 – Relating to Renewable Portfolio Standard**

**Tuesday, March 15, 2011  
9:00 am, Conference Room 325**

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

Chair Morita, Vice Chair Coffman 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) hereinafter collectively referred to as the Hawaiian Electric Utilities.

We strongly support S.B. No. 1346 S.D. 2, which provides for continued inclusion of customer-sited, grid-connected renewable energy generation in the renewable portfolio standard (“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.

# 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

### SB 1346 SD2, RELATING TO RENEWABLE ENERGY

March 15, 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 a nonprofit corporation in Hawaii, established in 1995 by a group of individuals and organizations concerned about the energy future of Hawaii. HREA's 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 HREA's 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 purpose of SB 1346 SD2 is to amend the definition of renewable electrical energy to include customer-sited, grid-connected renewable energy generation, beginning 1/1/15.

HREA **opposes** this measure which is to modify the definition of "renewable electrical energy," as we prefer and **support SB 1346 SD1** which includes the following words:

"net electricity delivered to the utility from" before the words "customer-sited," in line 7 of the measure.

So what should contribute to RPS? RPS was initially designed as a requirement that a certain portion of the wholesale power purchased by the utility or generated by the utility be from renewable sources. However, our RPS law has been crafted and then modified to include contributions from load reduction measures such as energy efficiency, conservation and renewable distributed generation. HREA's position in the Energy Efficiency Portfolio Standard ("EEPS") docket (No. 2010-0037) is that the load reduction measures, such as customer-sited renewables, should be included in the EEPS and not in RPS.

Why Is This Important? The Public Utilities Commission determined in the Demand-Side Management Docket (No. 2005-0069) that the utilities demand-side management programs (traditional energy efficiency and conservation measures) should be administered not by the utility (HECO) but by a third-party entity. There were a number of reasons for this decision, including the HECO's inherent conflict of interest in promoting load reduction measures versus making more money by selling more electricity. We now have the third party entity in place, i.e., the Public Benefits Fund Administrator, aka Hawaii Energy.

Restore the SD1. Please restore the SD1 so that the portion of load reductions due to customer-sited renewables are in Hawaii Energy's kuleana (and are part of the EEPS), and any net delivery of renewable electricity to the grid should be counted towards the HECO's RPS.

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Thank you for this opportunity to testify.