

**SB 1482**



NEIL ABERCROMBIE  
GOVERNOR

BRIAN SCHATZ  
LT. GOVERNOR

STATE OF HAWAII  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
335 MERCHANT STREET, ROOM 310  
P.O. Box 541  
HONOLULU, HAWAII 96809  
Phone Number: 586-2850  
Fax Number: 586-2856  
www.hawaii.gov/dcca

KEALI'S LOPEZ  
INTERIM DIRECTOR

EVERETT KANESHIGE  
DEPUTY DIRECTOR

TO THE SENATE COMMITTEES ON ENERGY AND ENVIRONMENT  
AND COMMERCE AND CONSUMER PROTECTION

THE TWENTY-SIXTH LEGISLATURE  
REGULAR SESSION OF 2011

THURSDAY, FEBRUARY 3, 2011  
2:45 P.M.

TESTIMONY OF JEFFREY T. ONO, EXECUTIVE DIRECTOR,  
DIVISION OF CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND  
CONSUMER AFFAIRS, TO THE HONORABLE MIKE GABBARD, CHAIR, THE  
HONORABLE ROSALYN H. BAKER, CHAIR, AND MEMBERS OF THE COMMITTEES

**SENATE BILL NO. 1482 – RELATING TO THE PUBLIC UTILITIES COMMISSION.**

**DESCRIPTION:**

This measure proposes to require the Public Utilities Commission ("Commission") to consider the need to reduce Hawaii's reliance on fossil fuels and may determine that short-term or direct costs of alternative energies that are higher than fossil fuels are reasonable.

**POSITION:**

The Division of Consumer Advocacy ("Consumer Advocate") supports this measure.

**COMMENTS:**

This measure seeks to require the Commission to consider factors, whether quantitative or qualitative, that might help the Commission to determine that alternatives to fossil fuels, which are generally imported to Hawaii, are reasonable options that should be incorporated into a utility company's portfolio of resources available to meet customers' energy needs.

Senate Bill No. 1482  
Senate Committees on Energy and Environment  
and Commerce and Consumer Protection  
Thursday, February 3, 2011, 2:45 p.m.  
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The Consumer Advocate notes that such recommendations have already been offered by the Consumer Advocate and the electric utility companies themselves in many recent dockets. Furthermore, based on the record in those dockets, the Commission approved various purchased power contracts and other mechanisms associated with renewable energy projects and/or energy efficiency measures even though the costs associated with those projects and/or measures might have been higher than fossil fuel alternatives.

As recommendations by parties to dockets and decisions filed by the Commission are already consistent with the intent and language of the proposed bill, it would appear that the need to add such language may be unnecessary. However, since the proposed language largely reflects the recommendations and actions already taken by various parties, including the Commission, in past and ongoing proceedings, the Consumer Advocate supports the effort to ensure that such guidance is included in the statute.

Thank you for this opportunity to testify.

**TESTIMONY OF CARLITO P. CALIBOSO  
CHAIRMAN, PUBLIC UTILITIES COMMISSION  
DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE  
SENATE COMMITTEES ON ENERGY & ENVIRONMENT  
AND  
COMMERCE & CONSUMER PROTECTION  
FEBRUARY 3, 2011**

**MEASURE: S.B. No. 1482**  
**TITLE: Relating to the Public Utilities Commission**

Chairs Gabbard and Baker and Members of the Committees:

**DESCRIPTION:**

This bill allows the Public Utilities Commission ("Commission") to consider the benefits of capital improvements for renewable energy and energy efficiency despite the short-term expense. This bill also requires the Commission to consider the need to reduce the State's reliance on fossil fuels.

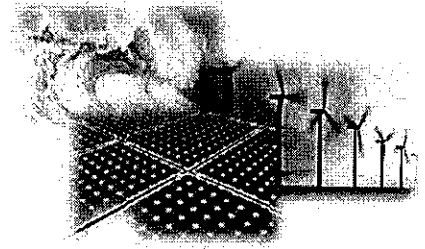
**POSITION:**

The Commission does not object to this bill.

**COMMENTS:**

The Commission is well aware of the tension between reducing the State's reliance on fossil fuels and the short-term impact on rates. A policy determination by the Legislature and guidance to the Commission can help clarify the weight these considerations should receive as decisions are made.

Thank you for the opportunity to testify.



**SENATE COMMITTEE ON ENERGY AND ENVIRONMENT  
SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION**

February 3, 2011, 2:45 P.M.

Room 225

**(Testimony is 1 page long)**

**TESTIMONY IN SUPPORT OF SB 1482**

Chairs Gabbard and Baker and members of the Committees:

The Blue Planet Foundation supports SB 1482, a measure which provides the public utilities commission (PUC) additional guidance and authority in considering energy efficiency as well as the implications of fossil fuels, fuel price volatility, greenhouse gas emissions, and long-term costs in their decision making.

The PUC has a number of critical dockets before them that will determine much of Hawaii's energy future. Blue Planet feels that it is essential that the PUC be given broad discretion in considering the myriad implications of Hawaii's reliance on fossil fuels in their decision making. We believe such guidance and authority to the PUC will result in more optimal energy planning for Hawaii's future.

Thank you for the opportunity to testify.



**Hawaii Solar Energy Association**

*Serving Hawaii Since 1977*

**February 3, 2011  
2:45PM**

**SENATE  
COMMITTEE ON ENERGY AND ENVIRONMENT  
&  
COMMITTEE ON COMMERCE AND  
CONSUMER PROTECTION  
SB 1482**

**Christy Imata**

**TESTIMONY IN SUPPORT**

Aloha Chair Gabbard, Vice Chair English, Chair Baker, Vice Chair Taniguchi, and Members of the Committees:

Hawaii is the most oil dependent state in the nation, relying on fossil fuels for the majority of its electricity generation. In order for the State to continue to move towards a clean energy future, it is imperative that the Public Utilities Commission be given the authority to consider the true costs of fossil fuels, and the true benefits of renewable energy, when make decisions regarding the reasonableness of costs of utility system capital improvements and operations.

HSEA supports SB 1482.

Thank you for the opportunity to testify on this measure.

Christy Imata  
Hawaii Solar Energy Association

**About Hawaii Solar Energy Association**

*Hawaii Solar Energy Association (HSEA) is comprised of installers, distributors, manufacturers and financers 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.*