

Honolulu, Hawaii

Feb 15, 2012

RE: H.B. No. 2525

H.D. 2

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2525, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ELECTRICITY,"

begs leave to report as follows:

The purpose of this bill is to provide the Hawaii Public Utilities Commission (PUC) with the necessary authority to implement state electric reliability standards and oversee grid access and interconnection issues. Furthermore, the measure allows the PUC to contract with an entity, designated as the Hawaii Electricity Reliability Administrator, to perform critical-reliability and grid-oversight functions.

The Office of the Governor, Department of Business, Economic Development, and Tourism, Solar Energy Industries Association, Sierra Club - Hawaii Chapter, Blue Planet Foundation, ILWU Local 142, Hawaii Solar Energy Association, and Life of the Land supported this bill. Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company supported the intent of this measure. The PUC submitted comments.

After careful consideration, your Committee has amended this bill by, among other things:

- (1) Re-defining "ancillary services";



- (2) Clarifying the role of the Hawaii Electricity Reliability Administrator (HERA) in enforcing and ensuring compliance with the electric-reliability law;
- (3) Expanding the kinds of appropriate and reasonable costs recoverable by a utility under the Hawaii Electricity Reliability Surcharge to include interconnection studies and other analyses associated with studying the impact of necessary infrastructure and operational requirements needed to reliably interconnect a generator;
- (4) Specifying that the HERA contracted for by the PUC must satisfy the qualification requirements established by the PUC;
- (5) Making conforming amendments; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2525, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2525, H.D. 2.

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



---

ROBERT N. HERKES, Chair



