

Honolulu, Hawaii

March 2, 2012

RE: H.B. No. 425
H.D. 3

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. 425, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC UTILITIES,"

begs leave to report as follows:

The purpose of this measure is to require the Public Utilities Commission (PUC), in exercising its authority and duties, to consider the costs and benefits of a diverse fossil fuel portfolio and of maximizing the efficiency of all electric utility assets to lower and stabilize the cost of electricity, without subverting the obligation of electric utilities to meet renewable portfolio standards.

The PUC, State Energy Office, and a concerned individual supported this bill. The Sierra Club - Hawaii Chapter opposed this measure.

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

- (1) Requiring the PUC to consider the costs and benefits of a diverse fuel portfolio, not necessarily a diverse fossil fuel portfolio;
- (2) Changing its effective date to January 1, 3000, to encourage further discussion; and



- (3) Making technical, nonsubstantive amendments for purposes of consistency, clarity, 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. 425, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 425, H.D. 3.

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



ROBERT N. HERKES, Chair



