

STAND. COM. REP. NO. 3169

Honolulu, Hawaii

APR 04 2012

RE: H.B. No. 425
H.D. 3
S.D. 2

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 425, H.D. 3, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to require the Public Utilities Commission, in exercising its authority and duties, to consider the costs and benefits of a diverse energy portfolio and of maximizing the efficiency of all electric utility assets.

Your Committee received testimony in support of this measure from the Hawaii State Energy Office of the Department of Business, Economic Development, and Tourism; Blue Planet Foundation; and Sierra Club, Hawaii Chapter. Your Committee received comments on this measure from the Public Utilities Commission.

Your Committee finds that much of the focus of Hawaii's clean energy strategy is placed on renewable energy generation. However, it is estimated that in 2030, sixty percent of electricity generation in the State will still come from fossil fuels. Careful consideration and planning must therefore be given to the future supply and pricing of fossil fuels in order to mitigate the negative impacts of high fuel costs on the State's residents and businesses.

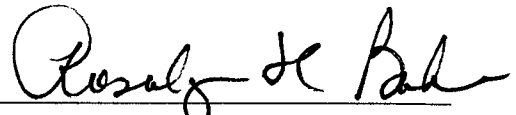


Your Committee also finds that an earlier version of this measure, H.B. No. 425, H.D. 2, specifically established a policy that the Public Utilities Commission should examine and consider the costs and benefits of a diverse fossil fuel portfolio and the importance of maximizing the efficiency of all electric utility assets to aid in lowering and stabilizing the cost of electricity. Your Committee additionally finds that H.B. No. 425, H.D. 2, is preferable because it sets a firm policy regarding transitioning from fossil fuel to a renewable energy portfolio, and removes any ambiguity with regard to this important policy statement.

Accordingly, your Committee has amended this measure by deleting its contents and inserting the contents of H.B. No. 425, H.D. 2.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 425, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 425, H.D. 3, S.D. 2.

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



ROSALYN H. BAKER, Chair



