

Honolulu, Hawaii

FEB 08 2011

RE: S.B. No. 199
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Energy and Environment, to which was referred S.B. No. 199 entitled:

"A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY,"

begs leave to report as follows:

The purpose and intent of this measure is to raise the system size limit for net energy metered systems to two megawatts, to eliminate the limit on the amount of electricity that comes from net metering on the Oahu grid, and to ensure that net metering contracts can be maintained with the introduction of an alternative mechanism for crediting or compensating customer-generators for exported power.

Your Committee received testimony in support of this measure from Mark Duda, Hawaii Solar Energy Association; Warren Bollmeier, Hawaii Renewable Energy Alliance; Jeff Mikulina, Blue Planet Foundation; Sierra Club Hawaii Chapter; and Brian Bell. Your Committee received testimony in opposition to this measure from Carlito P. Caliboso, Public Utilities Commission; and Scott Seu, Hawaiian Electric Company, Inc. Your Committee received comments on this measure from Richard C. Lim, Department of Business, Economic Development, and Tourism; and Jeffrey T. Ono, Department of Commerce and Consumer Affairs.

Your Committee finds that this measure would allow bigger buildings like schools and large businesses to benefit from net energy metering systems, ensure that people continue to have the option to participate in a net energy metering program, reduce



energy costs to both homes and businesses, and reduce Hawaii's overall dependence on fossil fuels.

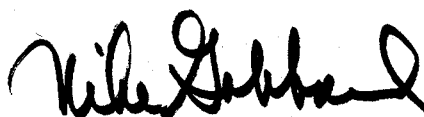
Your Committee finds that due to the January 13, 2011 Public Utilities Commission order that eliminated the net metering caps for Hawaiian Electric Company, Inc. and instead instituted a fifteen percent per circuit distribution threshold for distributed generation penetration, the sections of this measure that relate to eliminating the cap on the amount of electricity that comes from net energy metering are unnecessary.

Accordingly, your Committee has amended this measure by:

- (1) Deleting sections 3 and 5 of this measure, which would eliminate the cap on the amount of electricity that comes from net energy metering on the grid; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 199, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 199, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Respectfully submitted on
behalf of the members of the
Committee on Energy and
Environment,



MIKE GABBARD, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Energy and Environment
ENE

Bill / Resolution No.:* SB 199	Committee Referral: ENE, CPN	Date: 1 Feb 2011		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	/			
ENGLISH, J. Kalani (VC)	/			
GREEN, M.D., Josh	/			
IHARA, Jr., Les				/
SLOM, Sam	/			
TOTAL	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes