

STAND. COM. REP. NO. 1534-12

Honolulu, Hawaii

April 5, 2012

RE: S.B. No. 2438
S.D. 1
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 S.B. No. 2438, S.D. 1, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to support renewable energy in Hawaii by:

- (1) Requiring the Director of the Hawaii Natural Energy Institute, upon the request of the Public Utilities Commission (PUC), to provide the PUC with an analysis of the technology readiness of a renewable energy project;
- (2) Prohibiting the PUC from approving a proposal or contract with a technology readiness level of 6 or below; and
- (3) Authorizing the PUC to consider a proposal or contract with a technology readiness level above level 6; provided that positive external factors, including cost to consumers, job creation, capital attraction, and increased state tax revenues are found in its final determination.

SB2438 HD2 HSCR CPC HMS 2012-3406



The PUC, Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, and Pacific Biodiesel Technologies supported this bill. The Department of Business, Economic Development, and Tourism and Blue Planet Foundation supported the intent of this measure. Hawaiian Electric Company submitted comments.

After careful consideration, your Committee has amended this bill by not specifying the technology readiness level:

- (1) At or below which the PUC is prohibited from approving a proposal or contract; and
- (2) Above which the PUC is authorized to consider a proposal or contract; provided that positive external factors, including cost to consumers, job creation, capital attraction, and increased state tax revenues are found in its final determination.

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 S.B. No. 2438, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2438, S.D. 1, H.D. 2.

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



ROBERT N. HERKES, Chair



