

STAND. COM. REP. NO. 1055-12

Honolulu, Hawaii
March 16, 2012

RE: S.B. No. 2981
S.D. 2
H.D. 1

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

Sir:

Your Committee on Energy & Environmental Protection, to which was referred S.B. No. 2981, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to allow the Public Utilities Commission to direct electric utilities to include specific scenarios in each utility's integrated resource planning action to help the State achieve its clean energy goals, including goals for the use of renewable resources and the transmission of excess firm or intermittent renewable resources via an undersea cable.

Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company, Innovations Development Group, and Indigenous Consultants, LLC supported this measure. The Public Utilities Commission and the Sierra Club, Hawaii Chapter supported the intent of this measure. The Kuliouou/Kalani Iki Neighborhood Board No. 2 opposed this measure.

Your Committee has amended this measure by:

- (1) Authorizing the Public Utilities Commission to develop a framework for the replacement of oil-based power generation facilities with indigenous renewable power generation facilities including:

SB2981 HD1 HSCR EEP HMS 2012-2895



- (A) Incentives for replacing fossil fuel facilities;
 - (B) Disincentives for retaining fully depreciated oil-based fossil fuel facilities;
 - (C) Elimination of the market driven bidding process and authorization for the electric utility company to enter into joint ventures with renewable energy providers under utility proposals that replace fossil fuel facilities; and
 - (D) Other frameworks that expedite the replacement of existing oil-based power generation facilities with indigenous renewable clean energy power generation facilities;
- (2) Requiring the Public Utilities Commission to examine:
- (A) Its avoided cost calculation methodology;
 - (B) Ways to maximize the use of distributed generation;
 - (C) Ways to minimize the curtailment of renewable energy; and
 - (D) Ways to modernize the State's electrical grid; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2981, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2981, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.



Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,

Denny Coffman

DENNY COFFMAN, Chair



State of Hawaii
House of Representatives
The Twenty-sixth Legislature

HSCR 1055-12

Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.: SB 2981 SD2	Committee Referral: EEP, CPC, FAN	Date: 3-15-12		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EEP Members	Ayes	Ayes (WR)	Nays	Excused
1. COFFMAN, Denny (C)	✓			
2. KAWAKAMI, Derek S.K. (VC)				
3. CABANILLA, Rida T.R.				✓
4. CARROLL, Mele				✓
5. CHANG, Jerry L.	✓			
6. HAR, Sharon E.	✓			
7. HERKES, Robert N.				✓
8. ITO, Ken	✓			
9. NAKASHIMA, Mark M.	✓			
10. RIVIERE, Gil	✓			
11. THIELEN, Cynthia			✓	
TOTAL (11)	7	0	1	3
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				