

STAND. COM. REP. NO. 2077

Honolulu, Hawaii

FEB 09 2012

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

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

Sir:

Your Committee on Energy and Environment, to which was referred S.B. No. 2981 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 direct electric utilities to expedite the development of geothermal resources and other indigenous renewable resources for the production of electricity.

Your Committee received testimony in support of this measure from Innovations Development Group, Indigenous Consultants, LLC, and the Hawaii Renewable Energy Alliance. Your Committee received testimony in opposition to this measure from Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, and four individuals. Your Committee received comments on this measure from the Public Utilities Commission, Division of Consumer Advocacy, Sierra Club, and Blue Planet Foundation.

Your Committee finds that the development of geothermal and other indigenous, renewable energy resources capable of producing firm power has the potential to stabilize electricity prices in the State and reduce our State's dependence on fossil fuels. However, your Committee also finds that while geothermal and other renewable energy resources capable of producing firm power are critical to meeting Hawaii's future energy demands, other renewable energy sources may be equally important to certain areas of the State.

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Therefore, your Committee finds it necessary to ensure that the integrated resource planning process remain adaptable and resilient to circumstances beyond the electric utilities' control, including the development of new technologies that enhance the value of solar and wind energy.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that electric utilities must include scenarios in their integrated resource plans to replace firm power fossil fuel-based electricity generation with firm power from electricity generation using indigenous, renewable sources, rather than mandate through integrated resource plans, without alternative scenarios, the replacement of firm power fossil fuel-based electricity generation with firm power from electricity generation using indigenous, renewable sources;
- (2) Requiring electric utilities to consider indigenous, renewable energy resources as options in the planning process, rather than requiring the electric utilities to prioritize specific renewable resources in the development of their integrated resource plans;
- (3) Deleting language that required electric utilities to coordinate efforts with various state entities to establish new geothermal subzones; and
- (4) Making a technical, nonsubstantive amendment 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. 2981, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2981, 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 2981	Committee Referral: ENE, CPN	Date: 1/31/12		
<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	3	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center;"></div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes