

STAND. COM. REP. NO. **1536**

Honolulu, Hawaii

April 8, 2011

RE: S.B. No. 367
S.D. 3
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 367, S.D. 3, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

begs leave to report as follows:

The purpose of this bill is to establish a regulatory structure for the installation and implementation of an interisland high voltage electric transmission cable system to transmit clean, renewable energy in the State.

The Department of Business, Economic Development, and Tourism, Consumer Advocate, Hawaiian Electric Company, and a concerned individual supported this bill. Several members of the Maui County Council, KAHEA: The Hawaiian-Environmental Alliance, Friends of Lanai, Life of the Land, Ka Lei Maile Alii Hawaiian Civic Club, and numerous concerned individuals opposed this bill. The Office of Hawaiian Affairs, Public Utilities Commission (PUC), Maui Tomorrow Foundation, Inc., and several concerned individuals submitted comments.

Your Committee has amended this bill by:

- (1) In certain cases if the on-island transmission structure is not completed, clarifying that the electric utility company may be allowed:

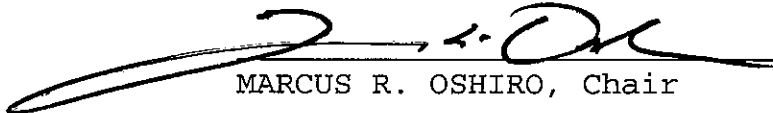
SB367 HD2 HSCR FIN HMS 2011-3668



- (A) To recover reasonable costs determined by PUC to have been prudently incurred by the company during the predevelopment and development periods; and
 - (B) By PUC to recover the reasonable costs through the cable surcharge;
- (2) Changing its effective date to July 1, 2030, to encourage further discussion; and
 - (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 367, S.D. 3, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 367, S.D. 3, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



MARCUS R. OSHIRO, Chair



