



Sierra Club

Hawai'i Chapter

PO Box 2577, Honolulu, HI 96803
808.538.6616 hawaii.chapter@sierraclub.org

ATL

SENATE COMMITTEE ON ENERGY AND ENVIRONMENT

March 15, 2012, 3:00 P.M.
(Testimony is 2 pages long)

TESTIMONY IN SUPPORT OF INTENT OF HB 425 (HD3) WITH PROPOSED AMENDMENTS

Aloha Chair Gabbard and members of the Committee:

The Sierra Club, Hawai'i Chapter, with 10,000 dues paying members and supporters statewide, **supports the intent of** HB 425 (HD3). This bill would require the public utilities commission to consider diversifying the fuel portfolio of Hawai'i. We appreciate the positive revisions made in the (HD3) version of this measure.

We note the following concerns with the current draft. First, this bill incorrectly assumes we need to get approximately 60% of our power from fossil fuels in 2030. It fails to consider a broader incorporation of intermittent renewable sources on a grid (some circuits on Kauai are experimenting with 100% renewable penetration), investments into storage technology and smart grids, or the possibility of greater firm renewable energy sources.

Second, this measure limits itself to considering a diversified "fuel" portfolio. There are other energy sources that may be able to offer price-competitive energy in the form of clean power. It seems more prudent to require an examination of a diversified "energy" portfolio, particularly as diversification creates a more robust energy infrastructure for Hawaii less subject to the whims of the market.

Proposed Amendments:

SECTION 1. The legislature finds that in trying to transition to a clean energy economy by 2030, much focus is being placed on meeting the renewable portfolio standards mandate. [~~However, unless there are major technological breakthroughs, it is anticipated that in 2030, sixty per cent of electricity generation will come from fossil fuels.~~] During the past year, the high cost of oil has severely affected electricity ratepayers. Achieving a clean energy economy requires a multi-pronged approach--being aggressive in the development of

renewable energy resources, promoting energy efficiency, and minimizing the use and cost of energy generated from fossil fuels.

The purpose of this Act is to direct the public utilities commission, in performing its general powers and duties, to consider the need for a diverse portfolio of ~~[fuel]~~ energy resources and to maximize the efficiency of utility-generation assets to mitigate supply disruptions and cost effects on electricity ratepayers.

...

(c) In exercising its authority and duties under this chapter, the public utilities commission shall consider the costs and benefits of a diverse ~~[fuel]~~ energy portfolio and of maximizing the efficiency of all electric utility assets to lower and stabilize the cost of electricity. Nothing in this section shall subvert the obligation of electric utilities to meet the renewable portfolio standards set forth in section 269-92.

Mahalo for the opportunity to testify.

