

**SB 2287**

NEIL ABERCROMBIE  
GOVERNOR

BRIAN SCHATZ  
LT. GOVERNOR



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TO THE SENATE COMMITTEE ON ENERGY AND ENVIRONMENT

THE TWENTY-SIXTH LEGISLATURE  
REGULAR SESSION OF 2012

TUESDAY, JANUARY 31, 2012  
2:45 P.M.

TESTIMONY OF JEFFREY T. ONO, EXECUTIVE DIRECTOR, DIVISION OF  
CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER  
AFFAIRS, TO THE HONORABLE MIKE GABBARD, AND MEMBERS OF THE  
COMMITTEE

SENATE BILL NO. 2287 - RELATING TO RENEWABLE ENERGY

DESCRIPTION:

This measure proposes to provide eligible customer-generators with the option to maintain existing net metering contracts even if the public utilities commission establishes alternative mechanisms for crediting or otherwise compensating eligible customer-generators for exported power.

POSITION:

The Division of Consumer Advocacy ("Consumer Advocate") supports the intent of this bill to promoting net metering contracts and offers comments for consideration.

COMMENTS:

The Consumer Advocate is aware of two pending docketed proceedings which seek to address issues and circumstances that may impact net metering considerations,

TESTIMONY OF HERMINA MORITA  
CHAIR, PUBLIC UTILITIES COMMISSION  
DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE  
SENATE COMMITTEE ON ENERGY AND ENVIRONMENT  
JANUARY 31, 2012

**MEASURE:** S.B. No. 2287

**TITLE:** Relating to Renewable Energy

Chair Gabbard and Members of the Committee:

**DESCRIPTION:**

This measure proposes to provide customer-generators with the option to maintain existing net metering contracts even if the Commission establishes alternative mechanisms for crediting or otherwise compensating eligible customer-generators for exported power.

**POSITION:**

The Commission appreciates the intent of this bill but believes that it is unnecessary. The net energy metering ("NEM") program was mandated by statute. When establishing the feed-in-tariff ("FIT") program, the Commission's Decision & Order explicitly stated NEM should continue to co-exist with the FIT program.

**COMMENTS:**

The FIT program, as approved in October 2010, was developed to provide an alternative mechanism for the various tiers of generators and renewable resource types to be fairly compensated for the energy they provide to the grid.

The FIT program was not intended to preclude NEM, but to instead provide another option for eligible customer-generators.

Customers participating in NEM programs of Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., or Hawaii Electric Light Company were also provided the opportunity to migrate to the FIT program during the implementation of FIT tiers 1 and 2, had the customers desired to do so.

Thank you for the opportunity to testify on this measure.



**Hawaii Solar Energy Association**  
*Serving Hawaii Since 1977*

January 31, 2012  
2:45 PM

SENATE  
COMMITTEE ON ENERGY &  
ENVIRONMENT  
SB 2287

Mark Duda  
President

**TESTIMONY IN STRONG SUPPORT**

Aloha Chair Gabbard, Vice Chair English and Members of the Committee:

Net Energy Metering (NEM) is a critical component of Hawaii's renewable energy policy framework. The NEM statute is the mechanism that makes it possible for Hawaii's homeowners and business owners to invest in the types of renewable energy systems that offset their own energy consumption. Systems interconnected to the utility grid under NEM contracts are important to the state's overall economic wellbeing because, by directly offsetting energy usage, NEM systems commensurately reduce operating costs, thereby making businesses more competitive and giving homeowners more disposable income.

Further, it is no exaggeration to say that NEM is the foundation of citizen participation in the state's transition to a renewable energy future. Whereas few citizens see any connection between the type of energy megaprojects that are discussed in the newspapers and television, everyone can understand the simple concept of making energy using solar or wind power at their home or business. Maintaining an active and robust NEM program helps the public stay engaged and supportive of broader efforts designed to achieve energy security that may require short-term sacrifice in order to achieve long-term sustainability.

In order to continue support for NEM, it is essential that those buying such systems need not live in fear that their net metering relationship with the utility will one day be eliminated. SB 2287 provides that clarity and as a result, is an important bill that clarifies a key element of the state's renewable energy regulatory framework.

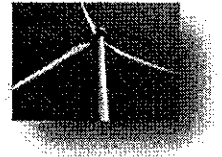
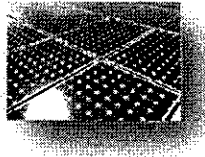
Thank you for the opportunity to testify on this measure.

Mark Duda  
President, Hawaii Solar Energy Association

**About Hawaii Solar Energy Association**

*Hawaii Solar Energy Association (HSEA) is comprised of installers, distributors, manufacturers and financiers of solar energy systems, both hot water and PV, most of which are Hawaii based, owned and operated. Our primary goals are: (1) to further solar energy and related arts, sciences and technologies with concern for the ecologic, social and economic fabric of the area; (2) to encourage the widespread utilization of solar equipment as a means of lowering the cost of energy to the American public, to help stabilize our*

*economy, to develop independence from fossil fuel and thereby reduce carbon emissions that contribute to climate change; (3) to establish, foster and advance the usefulness of the members, and their various products and services related to the economic applications of the conversion of solar energy for various useful purposes; and (4) to cooperate in, and contribute toward, the enhancement of widespread understanding of the various applications of solar energy conversion in order to increase their usefulness to society.*



**SENATE COMMITTEE ON ENERGY AND ENVIRONMENT**

January 31, 2012, 2:45 P.M.

Room 225

**(Testimony is 1 page long)**

**TESTIMONY IN SUPPORT OF SB 2287**

Chair Gabbard and members of the Committee:

The Blue Planet Foundation supports SB 2287, a measure which provides customers the option to maintain existing net energy metering contracts.

Net energy metering (NEM) has been an extremely effective policy tool in promoting the adoption of distributed renewable energy resources statewide, particularly solar photovoltaic (PV). In fact, NEM—in conjunction with Hawaii's renewable income tax credit—has helped to make Hawaii the second state per capita in installed PV. This measure simply allows existing NEM customers to continue their contract through this program even with the introduction of alternative compensation plans.

Thank you for the opportunity to testify.

Testimony on SB 2287

Testimony for ENE 1/31/2012 2:45:00 PM SB2287

Conference room: 225

Testifier position: Support

Testifier will be present: No

Submitted by: Tim O'Connor

Organization: Individual

E-mail: [t.oc.maui@gmail.com](mailto:t.oc.maui@gmail.com)

Submitted on: 1/30/2012

Comments:

Please support this bill to help protect the citizens of Hawaii. Please keep this option for all who currently avail net metering and have PV systems.