

STAND. COM. REP. NO.

469

Honolulu, Hawaii

FEB 28 2013

RE: S.B. No. 1043

S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 1043 entitled:

"A BILL FOR AN ACT RELATING TO ELECTRICITY PRODUCERS,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize the Public Utilities Commission to examine all information relating to power purchase agreements under review by the Commission, including the examination of power purchase agreement-relevant cost information of independent power producers.

Your Committee received testimony in support of this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs; Public Utilities Commission; Hawaiian Electric Company, Inc.; Blue Planet Foundation; and nine individuals. Your Committee received testimony in opposition to this measure from the Hawaii Renewable Energy Alliance.

Your Committee finds that in recent years, the cost to produce solar photovoltaic panels and wind turbines has significantly decreased. On the mainland, power purchase agreement prices for solar and wind projects have declined as production costs decreased and efficiencies increased. However, Hawaii has not seen a similar decrease in power purchase agreement prices for solar and wind projects.

Your Committee further finds that this measure provides access to documentation that will facilitate the review of power

2013-1534 SSCR SMA.doc



purchase agreements and enable regulators to determine if power purchase agreement pricing for renewable energy products is just, reasonable, and in the consumers' best interest. This measure also enables the Public Utilities Commission and the Division of Consumer Advocacy to determine what is causing the disparity in power purchase agreement prices for renewable energy projects in Hawaii, as compared to the mainland.

Your Committee notes that this measure enables the Public Utilities Commission to make the best possible decisions on power purchase agreements. This measure does not, nor is it intended to, take down or regulate independent power producers.

Your Committee has amended this measure by:

- (1) Specifying that the Public Utilities Commission and the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs are authorized to examine all information relating to power purchase agreements under review by the Commission and the Division of Consumer Advocacy and making conforming amendments to the purpose section; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1043, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1043, S.D. 1, and be placed on the calendar for Third Reading.

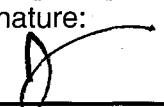
Respectfully submitted on  
behalf of the members of the  
Committee on Commerce and  
Consumer Protection,

  
ROSALYN H. BAKER, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1043	CPN	2/14/13		
<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
BAKER, Rosalyn H. (C)	✓			
GALUTERIA, Brickwood (VC)	✓			
NISHIHARA, Clarence K.	✓			
SOLOMON, Malama	✓			
TANIGUCHI, Brian T.				✓
WAKAI, Glenn	✓			
SLOM, Sam	✓			
<b>TOTAL</b>	6			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
<b>Distribution:</b> Original             Yellow             Pink             Goldenrod				
File with Committee Report             Clerk's Office             Drafting Agency             Committee File Copy				

\*Only one measure per Record of Votes