

Honolulu, Hawaii

APR 25 2013

RE: S.B. No. 19  
S.D. 1  
H.D. 2  
C.D. 1

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

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 19, S.D. 1, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to exempt from the definition of "public utility" persons who own, control, operate, or manage renewable energy systems on their property and provide, sell, or transmit electricity generated by those systems to tenants or lessees on the property, under certain conditions.

Your Committee on Conference finds that this measure provides an opportunity for renters to be able to benefit from the cost savings of renewable energy systems, such as solar photovoltaic systems, without having to incur the cost of installing the systems themselves. This measure also provides landlords with investment opportunities that could ultimately benefit landlords and tenants.



Your Committee on Conference also finds that tenants and lessees may not have bargaining power equal to that of landlords and lessors, necessitating disclosure and rate requirements in leases that are protective of tenants and lessees.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the purpose section of the measure to reflect the intent to provide for disclosures in the lease agreement for the protection of the lessees or tenants;
- (2) Inserting a provision requiring any interconnection to be maintained with an electric public utility to preserve the lessees' or tenants' ability to be served by an electric utility;
- (3) Inserting a provision prohibiting owners and lessors from using the electric public utility's transmission or distribution lines to provide, sell, or transmit electricity to lessees or tenants;
- (4) Clarifying language restricting the rate charged to tenants and lessees to a rate no greater than the effective rate charged per kilowatt hour from the applicable electric utility schedule filed with the Public Utilities Commission;
- (5) Adding language to prohibit lease agreements from abrogating any terms or conditions of applicable tariffs for termination of services for non-payment of electric utility services or rules regarding health, safety, and welfare;
- (6) Requiring specific disclosures regarding rate information in any lease agreement between lessors and tenants;
- (7) Inserting a provision to preclude energy wheeling; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 19, S.D. 1, H.D. 2, as amended herein, and recommends that



it pass Final Reading in the form attached hereto as S.B. No. 19,  
S.D. 1, H.D. 2, C.D. 1.

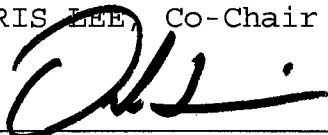
Respectfully submitted on behalf  
of the managers:

ON THE PART OF THE HOUSE

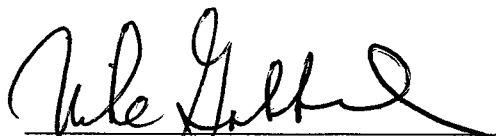
ON THE PART OF THE SENATE



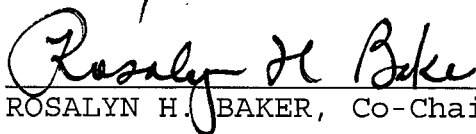
CHRIS LEE, Co-Chair



DEREK S.K. KAWAKAMI, Co-Chair



MIKE GABBARD, Chair



ROSALYN H. BAKER, Co-Chair



Hawaii State Legislature

CCR 75

Record of Votes of a  
Conference Committee

Bill / Concurrent Resolution No.: <b>SB 19, SD 1, HD 2</b>	Date/Time: 4-25-13 4:35pm.
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
GABBARD, Mike, Chr.	✓				LEE, Chris, Co-Chr.	✓			
BAKER, Rosalyn H., Co-Chr.	✓				KAWAKAMI, Derek S.K., Co-Chr.	✓			
SLOM, Sam	✓				LOWEN, Nicole E.	✓			
					THIELEN, Cynthia	✓			
<b>TOTAL</b>	<b>3</b>				<b>TOTAL</b>	<b>4</b>			

A = Aye                      WR = Aye with Reservations                      N = Nay                      E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature: 
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**Distribution:**                      **Original**                      **Yellow**                      **Pink**                      **Goldenrod**  
 File with Conference Committee Report                      House Clerk's Office                      Senate Clerk's Office                      Drafting Agency