

**Testimony Before the House Committee
On Energy & Environmental Protection**

February 5, 2013 (8:30 AM)

H.B. 728 RELATING TO NET ENERGY METERING

**Alan Hee
Director, New Energy Initiatives
Hawaiian Electric Company, Inc.**

Chair Lee, Vice Chair Thielen, and Members of the Committee:

My name is Alan Hee, and I represent Hawaiian Electric Company, and its subsidiary utilities Hawaii Electric Light Company and Maui Electric Company. We appreciate the opportunity to present testimony on H.B. 728.

While the Companies support the intent to lower electricity bills for people who are unable to install PV at their premise, we oppose HB 728 because it requires the utilities to wheel electrical energy owned by third parties through the utilities' distribution system. Wheeling is a complex process which raises many operational, regulatory, legal, and ratemaking issues. In addition, under retail wheeling the determination of the appropriate price for third-parties to pay for the use of the utility's distribution system can be lengthy and delay customer benefits. Moreover, the PUC already has initiated a proceeding to examine the feasibility of intra-governmental wheeling.

Our net energy metering program is among the most successful in the country, but this measure would result in additional administrative costs and encourage oversizing of PV systems, which could have unintended consequences affecting grid reliability.

The Companies would support development of a community solar program that does not rely on wheeling or the net energy metering model. One potential option is to consider development of a type of green pricing program, in which participating customers could subscribe to purchase blocks of PV energy from the utility at a pre-set rate, with the PV energy sourced from utility power purchase agreements.

Although we have begun discussions of a community solar program with the solar industry, the details of this kind of program are complex. We are willing to work with the industry and our regulatory stakeholders to further develop options for a successful community solar program that is fair to all customers.

Thus we ask the committee to hold this bill. Thank you for this opportunity to testify.

