



NEIL ABERCROMBIE
GOVERNOR

SHAN S. TSUTSUI
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

335 MERCHANT STREET, ROOM 310

P.O. Box 541

HONOLULU, HAWAII 96809

Phone Number: 586-2850

Fax Number: 586-2856

www.hawaii.gov/dcca

KEALI'I S. LOPEZ
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

TO THE HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

THE TWENTY-SEVENTH LEGISLATURE
REGULAR SESSION OF 2013

THURSDAY, MARCH 28, 2013
9:00 AM

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

HOUSE CONCURRENT RESOLUTION NO. 211 AND HOUSE RESOLUTION NO. 167
REQUESTING THE PUBLIC UTILITIES COMMISSION TO SUBMIT A REPORT TO
THE LEGISLATURE THAT EXAMINES THE POTENTIAL FOR ADOPTING A CLEAN
ENERGY STANDARD BASED UPON LIFECYCLE GREENHOUSE GAS EMISSIONS

DESCRIPTION:

These resolutions requests the Public Utilities Commission ("PUC") to submit a report to the legislature that examines the potential for adopting a clean energy standard based upon lifecycle greenhouse gas emissions.

POSITION:

The Division of Consumer Advocacy ("Consumer Advocate") supports the intent of these resolutions and offers the following comments.

House Concurrent Resolution No. 211
House Resolution No. 167
House Committee on Energy and Environmental Protection
Thursday, March 28, 2013, 9:00 a.m.
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COMMENTS:

The Consumer Advocate appreciates the policy guidance provided by the Legislature in this resolution. The Consumer Advocate is in agreement that it is of critical importance for the State of Hawaii to reduce its dependence on fossil fuel for electricity generation; that a lifecycle analysis is an important factor in determining whether any renewable energy project should be allowed to proceed; that greenhouse gas emissions must also be taken into consideration for both fossil fuel and renewable energy electricity generation; and that energy infrastructure planning and energy independence require long-term planning.

The Consumer Advocate does not agree that the definition of “renewable electrical energy” in Hawaii Revised Statutes Section 269-91 is ambiguous. The Consumer Advocate is not aware of a renewable energy project that came before the PUC in which there was an attempt by the developer to take advantage of any loophole in this definition.

The Consumer Advocate also asks the Legislature for clarification of paragraph (1) of HCR No. 211 and HR No. 167 where the PUC is asked to examine the potential for “providing renewable energy preferences to certain renewable energy resources that reduce or eliminate the amount of fossil fuel used in the generation of the renewable energy and result in reduced energy transmission volatility.” Transmission volatility appears to be an economic term of art used to describe the effect price volatility in one market has on price volatility in a seemingly unrelated market. For example, economic papers have analyzed the price volatility transmission of the energy market to price volatility in food markets. If the legislature is to adopt HCR No. 211 and HR No. 167, then the Consumer Advocate requests an amendment to paragraph (1) that would give the PUC and the Consumer Advocate adequate guidance on the legislature’s intent.

Finally, HCR No. 211 and HR No. 167 state that the PUC is to examine the potential for providing renewable energy preferences. The Consumer Advocate is not in favor of picking winners and losers in the renewable energy field, especially in this area with rapidly changing technology. Setting a higher priority for one type of renewable energy technology could effectively chill the development of another technology.

Thank you for this opportunity to testify.

TESTIMONY OF HERMINA MORITA
CHAIR, PUBLIC UTILITIES COMMISSION
DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

MARCH 28, 2013
9:00 a.m.

MEASURE: H.C.R. No. 211/H.R. No. 167

TITLE: Requesting the Public Utilities Commission to Submit a Report to the Legislature that Examines the Potential for Adopting a Clean Energy Standard Based Upon Lifecycle Greenhouse Gas Emissions

Chair Lee and Members of the Committee:

DESCRIPTION:

H.C.R. No. 211 and H.R. No. 167 (collectively referred to as “Resolutions”) request the Public Utilities Commission (“Commission”) submit a report to the Legislature prior to the start of the 2014 Regular Session which would “examine the potential for” 1) providing renewable energy preferences for resources that would reduce the fossil fuel “used in the generation of...renewable energy and result in reduced energy transmission volatility,” and 2) developing and implementing a clean energy standard to replace the State’s Renewable Portfolio Standard (“RPS”) requirements that would utilize a lifecycle greenhouse gas emission-based system of renewable energy credits for energy producers.

POSITION:

The Commission would like to offer the following comments for the Committee’s consideration.

COMMENTS:

The Commission is required under Section 269-95, Hawaii Revised Statutes (“HRS”), to “[e]valuate the renewable portfolio standards every five years, beginning in 2013, and [the Commission] may revise the standards based on the best information available at

the time to determine if the standards established by section 269-92 remain effective and achievable.” In compliance with HRS § 269-95, the Commission is working with the Hawaii Natural Energy Institute (“HNEI”) to complete such an evaluation this calendar year. The Commission will submit its findings and recommended revisions to the RPS prior to the convening of the 2014 Regular Session.

Your Committee indicated in previous hearings that the Commission should consider specific issues in its RPS review,¹ which the Commission plans to incorporate into its RPS study. However, if it is this Committee’s desire to communicate this via these Resolutions, the Commission recommends that the request for a separate report be deleted and the Resolutions be amended so the considerations listed herein are instead included as part of the RPS/HNEI report to the 2014 Legislature.

Thank you for the opportunity to testify on this measure.

¹ In addition to these Resolutions, H.B. No. 80, H.D. 1, was amended to include a listing of various considerations related to the State’s RPS, which the Commission believes warrant review.

thielen3 - Charles

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 27, 2013 9:28 PM
To: EEPtestimony
Cc: watsonblake8@gmail.com
Subject: *Submitted testimony for HR167 on Mar 28, 2013 09:00AM*

HR167

Submitted on: 3/27/2013

Testimony for EEP on Mar 28, 2013 09:00AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Blake Watson	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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