

**Testimony before the
Senate Committee on Commerce and Consumer Protection**

S.B. 19, S.D. 1 -- Relating to Renewable Energy

**Thursday, February 21, 2013
10:45 am, Conference Room 229**

By Colton Ching

Hawaiian Electric Company, Inc.

Chair Baker, Vice Chair Galuteria and Members of the Committee:

My name is Colton Ching. I am the Vice President of Energy Delivery at Hawaiian Electric Company. I am providing written testimony on behalf of Hawaiian Electric Company and its subsidiary utilities, Maui Electric Company and Hawaii Electric Light Company (the "Hawaiian Electric Companies").

The Hawaiian Electric Companies support the general intent of S.B. 19, S.D. 1, which proposes to exempt from the definition of "public utility" under Section 269-1, Hawaii Revised Statutes ("HRS"), landlords and lessors who sell electricity produced by renewable energy systems located on the landlord or lessor's property to tenants and lessees occupying such property. However, the Hawaiian Electric Companies offer that the bill is unnecessary given that the current exception to the definition of "public utility" found in HRS § 269-1(2)(M) already exempts the situation where a landlord or lessee provides electricity to a tenant or lessee from a renewable energy source. Further, the Hawaiian Electric Companies offer the following comments and suggested amendment for the Committee's consideration.

As a matter of policy, the Hawaiian Electric Companies are strongly committed to a clean energy future, but the bill does not specifically address the issue of compliance with interconnection requirements. It is important for customers who would like to interconnect a distributed generator as covered in this bill to continue to be required to participate in the Hawaiian Electric Companies' Rule 14H review process and comply with the requirements and standards for interconnection.

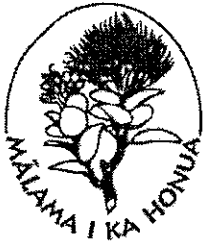
In addition, this measure may also introduce the potential for wheeling energy.¹ For example, in those situations where a landlord or lessor is located on the same or contiguous property but are separately metered from its tenants to the electric utility's system (e.g., townhome or multi-dwelling unit), the utilities would be required to wheel electrical energy between the landlord or lessor and the tenant 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 place for third-parties to pay for the use of the utility's distribution system can be lengthy and delay customer benefits.

We therefore suggest that the Committee consider the following amendment to the bill, which will eliminate the situation where the landlord and tenant who are on the same or contiguous properties attempt to use a common renewable energy system through separate utility connections. In addition, by requiring systems to be limited to those instances where they are behind a single utility meter and service connection, any movement of power will occur behind the meter where the utility is not affected.

- Pg. 7, line 10-14, Section 2(N)(ii): *"Provides, sells or transmits the power generated from that renewable energy system to an electric utility or to a lessee or tenant on the person's property where the renewable energy system is located **and in which the owner or lessor and the tenant are served by the same utility meter and service connection;**"*

Thank you for the opportunity to testify.

¹ "Wheeling" is the term that is used in the electricity industry to describe the sale and transfer of electricity over a grid of wires. "Retail wheeling" is the term used to describe the sale of electricity from a generator of electricity to a home or business over transmission and distribution lines.



Sierra Club Hawai'i Chapter

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SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

February 21, 2013, 10:45 A.M.
(Testimony is 1 page long)

TESTIMONY IN SUPPORT OF SB 19

Aloha Chair Baker and members of the Committee:

The Sierra Club, Hawaii Chapter, with over 10,000 dues paying members and supporters statewide, respectfully *supports* SB 19. This measure would allow a landowner to install renewable energy and distribute this power among tenants, thus removing a barrier towards more adoption of clean energy.

Programs similar to what is proposed have been very successful in encouraging the adoption of PV and hastening the transition to non-fossil sources. This measure potentially allows a *hui* of people to invest in renewable energy and take advantage of the benefits, even if they do not own a home.

This measure would provide a strong incentive for individuals and businesses to invest in the power plants of tomorrow (today).

Mahalo for the opportunity to testify.

February 20, 2013

Senate Committee on Commerce and Consumer Protection

Public Hearing: February 22, 2013, 10:45am, Room 229

Re: SB 19, Relating to Renewable Energy

Dear Chair Baker and Vice Chair Galuteria

I am writing in support of Senate Bill 19 that exempts landlords from being considered a utility for selling renewable energy to their tenants.

I completed my MBA at the University of Hawaii and for the past three years following have worked as a renewable energy developer for a local Honolulu company. I am honored to be a part of the State of Hawaii's transition to clean energy.

Business and State Leaders have both been creative to allow for efficient and abundant renewable energy projects to take place over the past three years. There are still rules that prevent projects that are financially beneficial and can help the State move closer to 30% renewable energy by 2030. SB 19 addresses the rule that makes it illegal for a landlord to sell power to their lessees.

Given that there is a large portion of both residents and businesses that lease space whom cannot receive benefits from solar energy directly, this bill provides a perfect opportunity for both property owners and lessees to benefit from solar power where the owner purchases the system and sells this power to the lessee. It is a win-win. The old law was written for a purpose that is no longer relevant under today's renewable energy advancement so I am in support SB 19.

Thank you for considering my comments in support of this Bill,

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SB19

Submitted on: 2/21/2013

Testimony for CPN on Feb 21, 2013 10:45AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Judith Flanders	Individual	Support	No

Comments: This is an important bill to make green energy savings possible to the 43 percent of our population who rent and it will go a long way toward reducing our energy dependence and moving us toward becoming a sustainable and self reliant island community. To not use our own resources is short-sighted and crazy.