

Honolulu, Hawaii
February 28, 2014

RE: H.B. No. 1943
H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1943, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE MODERNIZATION OF THE HAWAII ELECTRIC SYSTEM,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Update the advanced grid modernization technology principles of the Public Utilities Commission (PUC) to address technical, policy, and economic issues associated with modernizing the electric grid;
- (2) Require the PUC to commence a proceeding to address the technical, policy, and economic issues associated with the modernization of the electric grid based on the updated principles added by this measure;
- (3) Clarify the PUC proceeding regarding modernization of the electric grid in the State and the required utility reports to the PUC;
- (4) Direct the Consumer Advocate to represent the interests of all consumers in the course of the PUC proceeding;
and



- (5) Appropriate funds to carry out the purposes of this measure.

The Pacific Resource Partnership; Hawaii Farmers Union United, Kona Chapter; League of Women Voters of Hawaii; Carbon Drawdown Solutions, Inc.; Renewable Energy Action Coalition of Hawaii; SolarCity; and numerous individuals provided testimony in support of this measure. The Public Utilities Commission; Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs; Department of Business, Economic Development, and Tourism; City and County of Honolulu Councilmember of District 1; Hawaii Renewable Energy Alliance; Hawaiian Electric Company, Inc.; Maui Electric Company, Limited; Hawaii Electric Light Company, Inc.; Sierra Club of Hawaii; RevoluSun; Blue Planet Foundation; Hawaii Solar Energy Association; Inter-Island Solar Supply; Hawaii PV Coalition; Sunrun; Solar Inspectors Hawaii; Haiku Aina Permaculture Initiative; and several individuals provided comments on this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1943, H.D. 2, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,


SYLVIA LURIE, Chair



