

Honolulu, Hawaii

FEB 12 2013

RE: S.B. No. 1040

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

Madam:

Your Committees on Commerce and Consumer Protection and Technology and the Arts, to which was referred S.B. No. 1040 entitled:

"A BILL FOR AN ACT RELATING TO ELECTRIC SYSTEMS,"

beg leave to report as follows:

The purpose and intent of this measure is to require the Public Utilities Commission to consider the value of improving electrical generation, transmission, and distribution systems and infrastructure through the use of advanced grid modernization technology throughout the State.

Your Committees received testimony in support of this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs; Public Utilities Commission; Hawaiian Electric Company, Inc.; Sierra Club, Hawaii Chapter; and Blue Planet Foundation. Your Committees received testimony in opposition to this measure from Life of the Land.

Your Committees find that this measure provides clear direction to the Public Utilities Commission with respect to grid infrastructure improvements and gives the Public Utilities Commission legislative guidance to consider the implementation of advanced grid modernization technologies as it carries out its duties.

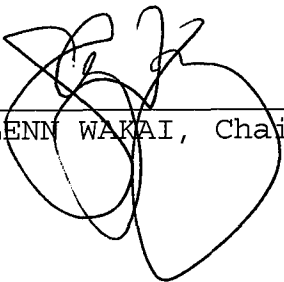
Your Committees further find that advanced grid modernization technologies can provide system operators and consumers with multiple benefits, including improved grid communications,



electric system reliability, and operational efficiencies. Smart grid technologies, which are included in advanced grid modernization technology, are also highly critical early stage technologies that can enable the State to meet the renewable portfolio standards requirements under the Hawaii Clean Energy Initiative. This measure ensures that the Public Utilities Commission considers the value of these technologies as a means of improving the State's electric system.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1040 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committees on Commerce and  
Consumer Protection and  
Technology and the Arts,

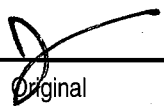
  
\_\_\_\_\_  
GLENN WAKAI, Chair

  
\_\_\_\_\_  
ROSALYN H. BAKER, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1040	CPN/TEC, WAM	2/4/13		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
GALUTERIA, Brickwood (VC)	✓			
NISHIHARA, Clarence K.	✓			
SOLOMON, Malama	✓			
TANIGUCHI, Brian T.	✓			
WAKAI, Glenn	✓			
SLOM, Sam	✓			
<b>TOTAL</b>	<b>7</b>			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

\*Only one measure per Record of Votes

The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Technology and the Arts**  
**TEC**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1040	CPN/TEC, WAM	2/6/13		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
WAKAI, Glenn (C)	/			
NISHIHARA, Clarence K. (VC)	/			
GABBARD, Mike	/			
TOKUDA, Jill N.				/
SLOM, Sam	/			
<b>TOTAL</b>	4	0	0	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<i>Clarence K. Nishihara</i>				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

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