

STAND. COM. REP. NO. **459**

Honolulu, Hawaii

FEB 20 2013

RE: S.B. No. 120
S.D. 1

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

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 120, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC UTILITIES,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize the Public Utilities Commission to establish a policy to implement economic incentives and cost recovery regulatory mechanisms to induce and accelerate electric utilities' cost reduction efforts, encourage greater utilization of renewable energy, accelerate the retirement of utility fossil generation, and increase investments to modernize the State's electrical grids.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs; Public Utilities Commission; Hawaiian Electric Company, Inc.; and Blue Planet Foundation.

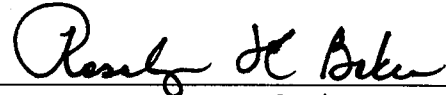
Your Committee finds that this measure gives policy guidance to incentivize Hawaii's electric utility companies to make needed reforms that attain lower electricity rates and achieve Hawaii's clean energy objectives. The various mechanisms in this measure also represent regulatory tools that make the State's transition to an affordable clean energy-focused system mutually beneficial to electric utilities and ratepayers. Your Committee further finds that this measure allows the Public Utilities Commission sufficient flexibility to evaluate, select, and tailor the best



set of incentive mechanisms to transform Hawaii's electric industry and achieve an affordable clean energy future.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 120, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,



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.:* SB 120 SD1	Committee Referral: CPN	Date: 2/13/13		
<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	✓			
TOTAL	6			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes