

Honolulu, Hawaii

FEB 13 2013

RE: S.B. No. 612
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 Energy and Environment, to which was referred S.B. No. 612 entitled:

"A BILL FOR AN ACT RELATING TO CURTAILMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to require agreements to purchase geothermal and non-fossil fuel energy to contain provisions that provide independent power producers with compensation for excessive curtailment.

Your Committee received testimony in support of this measure from Blue Planet Foundation, Hawaii Solar Energy Association, Life of the Land, Sierra Club Hawaii Chapter, and Indigenous Consultants LLC. Your Committee received testimony in opposition to this measure from Hawaiian Electric Company, Inc. Your Committee received comments on this measure from the Public Utilities Commission and First Wind.

Your Committee finds that the promotion of renewable energy production within the State is essential to the security and stability of Hawaii. Energy costs in Hawaii are among the highest in the nation and independent producers of renewable energy are one of the keys to reducing energy costs and promoting energy independence. Your Committee further finds that independent, renewable energy producers may overstate their prices if they have an expectation of being curtailed by the electric utility without compensation for the curtailment. This measure will require electric utilities to provide compensation to independent

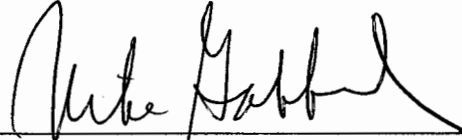


producers of renewable energy for excessive curtailment, thereby promoting energy independence and furthering the State's economic and energy security.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 612, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 612, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Respectfully submitted on
behalf of the members of the
Committee on Energy and
Environment,

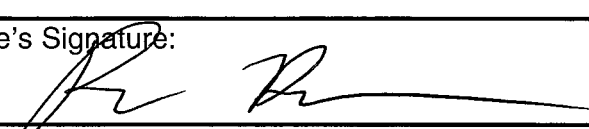


MIKE GABBARD, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Energy and Environment
ENE

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 612	ENE CPN	2/5/13		
<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 type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	X			
RUDERMAN, Russell E. (VC)	X			
CHUN OAKLAND, Suzanne	X			
IHARA, Jr., Les	X			
SLOM, Sam				X
TOTAL	4			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