

Honolulu, Hawaii

February 12, 2015

RE: H.B. No. 1512

H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 1512 entitled:

"A BILL FOR AN ACT RELATING TO PERFORMANCE-BASED REGULATION,"

begs leave to report as follows:

The purpose of this measure is to reduce Hawaii's dependence on imported fossil fuels and decrease energy costs in the long term by:

- (1) Updating and extending renewable portfolio standard goals, including a 70-percent renewable energy goal by December 31, 2040, and a 100-percent renewable energy goal by December 31, 2050; and
- (2) Establishing performance-based regulation of electric utility companies.

The Hawaii Renewable Energy Alliance, Blue Planet Foundation, and Hawaii Solar Energy Association supported this measure. The Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs supported the intent of the measure. The Department of Business, Economic Development, and Tourism; Public Utilities Commission; Hawaiian Electric Company; Hawaii Electric Light Company; Maui Electric Company; and Life of the Land submitted comments.



Your Committee has amended this bill by, among other things:

- (1) Changing the 70-percent renewable-portfolio-standard goal date to December 31, 2035, and the 100-percent renewable-portfolio-standard goal date to December 31, 2045;
- (2) Deleting the elimination of imported fuels for electricity generation as a long-term end goal to be met by electric utility companies;
- (3) Providing that the independent generators to which electric utility companies must divest their power-generation capacity cannot be affiliated with the divesting utility, and defining "affiliated entity";
- (4) Deleting provisions relating to the establishment, every five years, of specific goals that must be met by electric utility companies and incentives that the Public Utilities Commission deems appropriate during the next five-year period;
- (5) Clarifying that programs and rate structures providing ratepayers with control over their electricity costs is a long-term end goal to be met by electric utility companies; and
- (6) Requiring the Public Utilities Commission to adopt performance-based incentives and conditions to ensure regulated electric utility companies meet specified long-term goals.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1512, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1512, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.



Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,




CHRIS LEE, Chair



State of Hawaii
House of Representatives
The Twenty-eighth Legislature

HSCR 185

Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.: HB 1512		Committee Referral: EEP, CPC, FIN		Date: 2/10/15	
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.					
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)					
EEP Members		Ayes	Ayes (WR)	Nays	Excused
1. LEE, Chris (C)		/			
2. LOWEN, Nicole E. (VC)		/			
3. CULLEN, Ty J.K.		/			
4. EVANS, Cindy		/			
5. ING, Kaniela		/			
6. NISHIMOTO, Scott Y.		/			
7. SAY, Calvin K.Y.		/			
8. YAMANE, Ryan I.		/			
9. POUHA, Feki		/			
10. THIELEN, Cynthia		/			
TOTAL (10)		10	0	0	0
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted					
If joint referral, _____ did not support recommendation. committee acronym(s)					
Vice Chair's or designee's signature: <u></u>					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					