

STAND. COM. REP. NO.

552

Honolulu, Hawaii

February 20, 2015

RE: H.B. No. 1512

H.D. 2

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

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1512, H.D. 1, 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 the State's reliance on imported fossil fuels and decrease long-term energy costs by:

- (1) Updating and extending the renewable portfolio standard goals to include a 70 per cent renewable energy goal by December 31, 2035, and a 100 per cent renewable energy goal by December 31, 2045; and
- (2) Establishing performance-based criteria for electric utility companies to meet.

The Hawaii Solar Energy Association, Blue Planet Foundation, and Democratic Party of Hawaii supported this measure. The Hawaiian Electric Company Inc., Maui Electric Company, and Hawaii Electric Light Company supported the intent of this measure. The Department of Business, Economic Development, and Tourism; Public Utilities Commission; and the Division of Consumer Advocacy of the Department of Commerce and Consumers Affairs commented on this measure.

HB1512 HD2 HSCR CPC HMS 2015-2088



Your Committee has amended this measure by:

- (1) Removing the requirement that electric utility companies divest utility-owned generation to independent generators at a rate to achieve 90 per cent divestiture by 2050 as one of the performance criteria;
- (2) Changing the effective date to January 1, 2112, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1512, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1512, H.D. 2.

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



ANGUS L.K. MCKELVEY, Chair



