

Honolulu, Hawaii

February 19, 2016

RE: H.B. No. 2076

H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2076, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO WHEELING,"

begs leave to report as follows:

The purpose of this measure is to increase competition within Hawaii's electrical markets, expand customer choices, and diversify Hawaii's energy base by requiring the Public Utilities Commission (PUC) to establish policies and rules implementing retail wheeling to enable independent power producers to sell electricity directly to end users.

Paniolo Power Company, LLC and Parker Ranch, Inc. supported the intent of this measure. Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, and Land Use Research Foundation of Hawaii testified in opposition to this measure. The Department of Commerce and Consumer Affairs, PUC, and Hawaii Energy Policy Forum at the University of Hawaii at Manoa provided comments.

Your Committee has amended this measure by:

- (1) Requiring the PUC to investigate and report on the feasibility of implementing retail wheeling in the State prior to the adoption of rules and policies;
- (2) Changing its effective date to July 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. 2076, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 2076, H.D. 2.

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


ANGUS L.K. MCKELVEY, Chair



