

Honolulu, Hawaii  
March 4, 2016

RE: H.B. No. 2649  
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 Finance, to which was referred H.B. No. 2649, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

begs leave to report as follows:

The purpose of this measure is to protect electricity ratepayers from potentially unnecessary additional costs. More specifically, this measure requires the Public Utilities Commission to establish performance incentive mechanisms that directly tie an electric utility's revenues to the utility's achievement on the performance metrics.

Distributed Energy Resources Council, Hawaii Renewable Energy Alliance, Hawaii Solar Energy Association, and several individuals provided testimony in support of the measure. The Public Utilities Commission, Division of Consumer Advocacy, Hawaii Energy Policy Forum, Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, and Blue Planet Foundation provided comments.

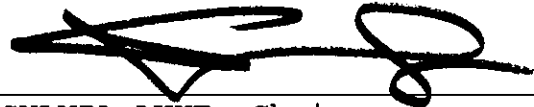
Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2030, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.



As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2649, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2649, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Finance,



SYLVIA LUKE, Chair



