

STAND. COM. REP. NO. 778

Honolulu, Hawaii
March 6, 2015

RE: H.B. No. 264
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. 264, 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 require the Public Utilities Commission to initiate the process of establishing integrated energy districts.

Testimony in support of the measure was submitted by the Renewable Energy Action Coalition of Hawaii; Hawaii Solar Energy Association; Environmental Caucus; and two individuals. Testimony in opposition to the measure was submitted by Hawaiian Electric Company and its subsidiary utilities. Comments on the measure were submitted by the Public Utilities Commission; and the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy.

Your Committee finds that integrated energy districts are localized energy generation grids that allow for the collective generation and distribution of power from renewable sources. These "micro-grids" may be operated in "island mode" or connected to the larger utility grid when needed. Your Committee further finds that establishing a process for interconnection of grid-connected and island-able renewable generation is an important component of the larger statewide planning process for achieving one hundred percent renewable energy.

HB264 HD2 HSCR LRB 15-1993-1.doc

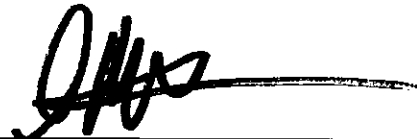


Your Committee notes that in their testimony, the Hawaiian Electric Company and its subsidiary utilities requested an amendment that would prohibit the measure from being construed to permit wheeling, which is the transportation of energy from one utility service area to another. Your Committee believes, however, that such an amendment might unduly restrict the authority of the Public Utilities Commission in establishing integrated energy districts.

Your Committee has amended this measure by changing the effective date to July 1, 2112, to facilitate further discussion on the measure.

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. 264, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 264, H.D. 2.

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



ANGUS L.K. MCKELVEY, Chair



