

Honolulu, Hawaii

April 8, 2016

RE: S.B. No. 2738
S.D. 2
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 S.B. No. 2738, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY,"

begs leave to report as follows:

The purpose of this measure is to support renewable energy in the State by establishing a Hawaii energy storage system rebate program. Specifically, this measure:

- (1) Provides purchasers of eligible energy storage systems with a one-time rebate that may be claimed based on the type of system and the amount of funds remaining in the Energy Storage System Fund; and
- (2) Establishes a funding framework for the program through the Hawaii Green Infrastructure Authority, the Hawaii Green Infrastructure Special Fund, and the creation of the Energy Storage System Fund.

The Alliance for Solar Choice; Blue Planet Foundation; Charge Bliss Hawaii; Solar Help Hawaii LLC; We Are One, Inc.; and numerous individuals testified in support of this measure. The Division of Consumer Advocacy, Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company testified in opposition to this measure. The Department of Business, Economic Development, and Tourism; State Procurement Office; Hawaii Green Infrastructure Authority; Department of Taxation; Public Utilities

SB2738 HD2 HSCR FIN HMS 2016-3206



Commission; Ulupono Initiative; Tax Foundation of Hawaii; Distributed Energy Resources Council of Hawaii; Hawaii Solar Energy Association; SunPower Corporation; Stem, Inc.; and an individual provided comments.

Your Committee has amended this measure by:

- (1) Specifying that the Hawaii Green Infrastructure Authority, rather than the Department of Business, Economic Development and Tourism, shall administer the program;
- (2) Amending the responsibilities of the Hawaii Green Infrastructure Authority regarding rebate applications, eligibility, and rulemaking;
- (3) Removing provisions specifying that this will be a one-time rebate and rebate amounts are to be based upon the amount of funds available in the Energy Storage System Fund;
- (4) Establishing a cap on the total amount of energy storage system funds that may be expended on utility-scale energy storage and commercial energy storage systems;
- (5) Setting caps on the amount of individual rebates allowed for various eligible energy storage systems;
- (6) Amending the eligibility requirements for energy storage systems, including the setting of new capacity, warranty, and installation standards;
- (7) Further clarifying program eligibility and application by establishing a definition for "energy storage system property owners";
- (8) Changing the claimable rebate amounts to unspecified amounts;
- (9) Changing the \$50,000,000 appropriation out of the Hawaii Green Infrastructure Special Fund to the Energy Storage System Fund for the purposes of funding the program to an unspecified amount;
- (10) Changing its effective date to July 1, 2030; and



- (11) Making technical, nonsubstantive amendments for 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 S.B. No. 2738, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2738, S.D. 2, H.D. 2.

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



SYLVIA LUKE, Chair



