

TESTIMONY OF RANDY IWASE
CHAIR, PUBLIC UTILITIES COMMISSION
STATE OF HAWAII
TO THE
HOUSE COMMITTEE ON
FINANCE

March 3, 2015
1:30 p.m.

MEASURE: H.B. No. 1393, H.D.1
TITLE: Relating to Energy.

Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

DESCRIPTION:

This measure expands the definition of “eligible customer-generator” for net energy metering (“NEM”) participants to include any “renewable energy generation and distribution device”.

POSITION:

The Public Utilities Commission (“Commission”) offers the following comments for the Committee’s consideration.

COMMENTS:

The Commission notes that, as the measure is currently written, it is unclear what technologies would be eligible for the NEM program. More importantly, it is unclear what technologies would be excluded from eligibility for the NEM program. This lack of clarity greatly expands the scope and potential impact of the NEM program, including the potential for any cross-subsidies.

Thank you for the opportunity to testify on this measure.

**Testimony before the
House Committee on Finance**

**Tuesday, March 3, 2015, 1:30 p.m.
Conference Room 308**

H.B. No. 1393, H.D. 1 – Relating to Energy

**By Carlos Perez Loriga
Manager, Customer Solutions Department
Hawaiian Electric Company**

Chair Luke, Vice Chair Nishimoto and Members of the Committee:

My name is Carlos Perez Loriga. I am Manager of Customer Solutions Department at the Hawaiian Electric Company. I am testifying on behalf of Hawaiian Electric Company and its subsidiary utilities, Maui Electric Company and Hawaii Electric Light Company (collectively “Companies”).

House Bill No. 1393, HD1 (“HB 1393, HD1”) proposes to expand the types of energy generation and distribution devices that could make certain electric utility customers eligible for net energy metering (“NEM”).

The Companies strongly oppose HB 1393, HD1 as the proposed definition of “renewable energy generation and distribution device” is extremely broad and non-specific in nature and does not ensure that such devices would generate “renewable energy” as defined in Hawaii’s Renewable Portfolio Standards (“RPS”), HRS Chapter 269, Part V. Therefore, such generation would potentially not count towards meeting Hawaii’s RPS goals.

Furthermore, expanding the definition of “Eligible customer-generator” could have the unintended consequence of allowing experimental or unproven technologies onto the grid which could adversely impact circuit or system reliability and safety. This is contrary to the intent of the NEM program which was to accelerate the integration of proven technologies such as solar, wind turbine, biomass and hydroelectric generation.

The Companies also respectfully assert that this issue should be studied and evaluated in a comprehensive fashion by the Public Utilities Commission as part of Docket No. 2014-0192 (Instituting a Proceeding to Investigate Distributed Energy Resource

Policies) giving full consideration to the technical, economic, and regulatory policy issues associated with renewable energy programs available to customers.

We respectfully request that this bill be held.

Thank you for the opportunity to testify.

FROM:

Mel Chiogiogi, PhD
President and CEO



TO:

Hawaii State House of Representatives
Committee on Finance



RE: TESTIMONY IN SUPPORT
HB1393
Relating to Energy
March 3, 2015, 1:30PM
Hawaii State Capitol, Room 308

Dear Chair Luke:

I submit this testimony in support of HB1393 related to energy.

Demand for energy is continuing to rise, and our State is increasingly looking to renewable sources to meet that demand with clean, safe, reliable energy. Fortunately, many of the key technologies that can unlock the power of these renewable resources are on the market today. Rapidly declining prices for these technologies, in combination with Federal, State, and Local policy changes, are bringing increasing amounts of renewable energy into the mainstream. State and Local government representatives who understand and prepare for policy and market changes will be able to best position their communities in this new renewable energy economy.

Hawaii is the most oil dependent state in the nation. About 95% of Hawaii's primary energy supply is imported fossil fuel that contributes to global warming. If Hawaii doesn't cut its fossil fuel emission 80% by 2050, Hawaii will be heading for a catastrophic climate change. Hawaii must reduce reliance on fossil fuels by expanding renewable energy opportunities.

Hawaii's State government can play a significant role in the effort to reduce costs and increase the use of renewable energy technologies by expanding the types of renewable energy generation eligible for net energy metering. Therefore, I would appreciate your support and careful consideration to this issue.

Respectfully Submitted,
Mel Chiogiogi

