

TESTIMONY OF RANDY IWASE
CHAIR, PUBLIC UTILITIES COMMISSION
STATE OF HAWAII
TO THE
HOUSE COMMITTEE ON
CONSUMER PROTECTION AND COMMERCE

February 11, 2016
5:00 PM

MEASURE: H.B. No. 2570, H.D. 1
TITLE: RELATING TO ENERGY MODERNIZATION

Chair McKelvey and Members of the Committee:

DESCRIPTION:

This measure defines the term “microgrid” and exempts persons who own, control, operate, or manage microgrids under 25 kW in size from regulation as a public utility under Section 269-1, Hawaii Revised Statutes. This measure also would prohibit any political subdivision of the State from requiring that a building that is served by a microgrid be connected to another source of electrical power.

POSITION:

The Commission offers the following comments for the Committee’s consideration.

COMMENTS:

The Commission supports the development of microgrids as an option to meet the energy needs of customers as articulated in the *Commission’s Inclinations on the Future of Hawaii’s Electric Utilities* (See Docket No. 2012-0036, Order No. 32052). However, the language of this measure may encourage the development of microgrids that would operate as stand-alone grids, which would preclude many of the benefits that microgrids can provide. Furthermore, oversight and consumer protection issues may arise for persons served or affected by microgrids exempt from Commission regulation. For example, it is unclear how important minimum standards for interconnection or reliability would be established for microgrids exempt from Commission regulation.

Thank you for the opportunity to testify on this measure.

**LATE****HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE**

February 11, 2016
(Testimony is 1 page long)

TESTIMONY IN SUPPORT OF HB 2570 HD1 WITH A PROPOSED AMENDMENT

Chair McKelvey and Members of the Committee:

The Alliance for Solar Choice (TASC) appreciates the opportunity to support HB 2570, relating to energy modernization. TASC respectfully supports this measure.

TASC advocates for maintaining successful distributed solar energy policies and markets throughout the United States. Collectively, TASC members serve a significant portion of solar customers in Hawaii.

This measure wisely notes the opportunity to create more resilient, lower cost, and customer empowering sources of power through the use of microgrids. These systems can provide backup power to public buildings, such as hospitals and emergency centers, and “sell back” the power to the grid when these systems are not being actively used. Microgrids also have the capacity to serve remote locations where the cost of transmitting power may be unduly burdensome.

This measure helps clear some of the regulatory hurdles to allow customers to explore the development of microgrids, and ensures Hawaii continues to be on the forefront of clean energy development. Moreover, under the amended HD1, the bill is limited to relatively small systems: no more than a few homes. We recognize and agree to this type of limitation but suggest that the size be increased 250 kilowatts. This would allow for the power production of a small commercial entity.

Thank you for considering our comments.