

TESTIMONY OF RANDY IWASE  
CHAIR, PUBLIC UTILITIES COMMISSION  
STATE OF HAWAII  
TO THE  
HOUSE COMMITTEE ON  
ENERGY & ENVIRONMENTAL PROTECTION

February 5, 2015  
8:30 a.m.

**MEASURE:** H.B. No. 264  
**TITLE:** Relating to Energy

Chair Lee, Vice Chair Lowen, and Members of the Committee:

**DESCRIPTION:**

This measure proposes to add a new section to Chapter 269, Hawaii Revised Statutes, to require the Public Utilities Commission (“Commission”) to establish a process to establish integrated energy districts. This process would be established by rules adopted pursuant to Chapter 91, Hawaii Revised Statutes.

**POSITION:**

The Commission supports the concept of integrated energy districts and offers the following comments for the Committee’s consideration.

**COMMENTS:**

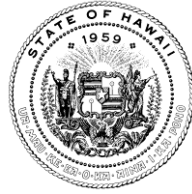
The Commission notes that the administrative rulemaking process pursuant to Chapter 91 is typically a lengthy process that requires significant Commission resources. Fortunately, there are a number of pathways to establish integrated energy districts, some of which may be more appropriate than the administrative rulemaking process. For example, the Commission could establish integrated energy districts via an order in a new or existing docket. The Commission could also create a working group to recommend a process to establish integrated energy districts.

Therefore, the Commission respectfully requests that the language regarding the Chapter 91 rulemaking process be struck from this measure so that the Commission has

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the flexibility and discretion to select the most efficient and appropriate method for the establishment of integrated energy districts.

Thank you for the opportunity to testify on this measure.



DAVID Y. IGE  
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TO THE HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

THE TWENTY-EIGHTH LEGISLATURE  
REGULAR SESSION OF 2015

THURSDAY, FEBRUARY 5, 2015  
8:30 a.m.

TESTIMONY OF JEFFREY T. ONO, EXECUTIVE DIRECTOR, DIVISION OF  
CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER  
AFFAIRS, TO THE HONORABLE CHRIS LEE, CHAIR,  
AND MEMBERS OF THE COMMITTEE

HOUSE BILL NO. 264 - RELATING TO ENERGY

DESCRIPTION:

This measure proposes to require the Public Utilities Commission to establish a process for the creation of integrated energy districts.

POSITION:

The Division of Consumer Advocacy supports the intent of this bill with comments.

COMMENTS:

The Consumer Advocate contends that as part of the process in establishing integrated energy districts, consumer issues must be addressed such as protecting the interests of customers served within the energy district and ensuring that customers that remain on the utility system do not subsidize the electric service provided to the energy district.

Thank you for this opportunity to testify.



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**Testimony of ERIK KVAM**  
**President of Renewable Energy Action Coalition of Hawaii**  
**e-mail: [Erik.Kvam@REACHhawaii.org](mailto:Erik.Kvam@REACHhawaii.org)**

**In SUPPORT of HB 264 RELATING TO ENERGY**

**Before the**  
**HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION**

**February 5, 2015 8:30 a.m.**

Aloha Chair Lee, Vice-Chair Lowen and members of the Committee.

My name is Erik Kvam. I am the President of Renewable Energy Action Coalition of Hawaii (REACH). REACH is a trade association whose vision is a Hawaiian energy economy based 100% on renewable sources indigenous to Hawaii.

REACH is in **SUPPORT** of HB264.

Hawaii relies on imported fuels for more than 90% of its electricity generation. As imported fuels become harder to obtain and more expensive, sooner or later these imported fuels will stop flowing to Hawaii. When imported fuels stop flowing to Hawaii, Hawaii will arrive at 100% renewable energy received from whatever combination of grid-connected and island-able renewable generation has been planned for by Hawaii's electric utilities.

Planning Hawaii's 100% renewable energy future presents a tremendous challenge for Hawaii's electric utilities and the Public Utilities Commission. Establishing a process for interconnection of grid-connected and island-able renewable generation is an important component of the larger planning process for achieving 100% renewable energy. The sooner the Public Utilities Commission adopts such a process for interconnection of grid-

connected and island-able renewable generation, the sooner such renewable generation can be planned, developed and interconnected to achieve 100% renewable energy.

**REACH SUPPORTS** HB 264 – directing the Public Utilities Commission to adopt a process for establishing integrated energy districts -- to encourage the planning, development and interconnection of renewable generation from sources indigenous to Hawaii, to achieve Hawaii's 100% renewable energy future.

Thank you for providing this opportunity to testify.