

Honolulu, Hawaii

FEB 15 2017

RE: S.B. No. 660
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committees on Transportation and Energy and Economic Development, Tourism, and Technology, to which was referred S.B. No. 660 entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Create the energy storage market acceleration program and energy storage market acceleration special fund to be administered by the Hawaii green infrastructure authority;
- (2) Establish an energy storage system rebate for energy storage system providers and allow for rebates under the program to paid out of the energy storage market acceleration special fund; and
- (3) Appropriate the funds from the Hawaii green infrastructure special fund to the energy storage market acceleration special fund for the purposes of paying rebates and administering the energy storage system rebate program.

Your Committees received testimony in support of this measure from the Hawaii Solar Energy Association; Distributed Energy Resources Council; Stem, Inc.; Amber Kinetics; Sierra Club of Hawaii; and seven individuals. Your Committees received testimony



in opposition to this measure from Department of Commerce and Consumer Affairs; Hawaii Green Infrastructure Authority; State Procurement Office; Public Utilities Commission; Blue Planet Foundation; Sust 'aina ble Molokai; and one individual. Your Committees received comments on this measure from the Department of Budget and Finance and Tax Foundation of Hawaii.

Your Committees find that supporting the growth and development of energy storage technologies is vital to the continued development of renewable energy in the State. The development of energy storage is a crucial step in the development of an updated electrical grid which can accommodate more renewable energy resources. However, energy storage adds significant costs to renewable energy systems, which has impeded the installation and implementation of energy storage systems.

Further, Your Committees find that it is unnecessary to attempt to address issues inhibiting the widespread implementation of energy storage technologies through the Hawaii green infrastructure loan program. Instead, these issues can more efficiently and effectively be addressed through a rebate program funded through the existing public benefits fee under section 269-121, Hawaii Revised Statutes.

Your Committees have amended this measure by:

- (1) Deleting its contents;
- (2) Inserting language that:
 - (A) Establishes the Hawaii energy storage market acceleration program as a rebate program administered by the Public Benefits Fee Administrator;
 - (B) Funds the energy storage market acceleration program through the public benefits fee;
 - (C) Requires the Public Utilities Commission to determine the amount available for rebates annually;
 - (D) Allows the Public Utilities Commission to increase the public benefits fee if necessary; and



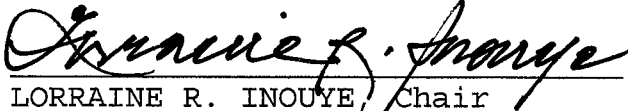
- (E) Requires energy storage systems receiving rebates to remain connected to the utility grid; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy and Economic Development, Tourism, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 660, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 660, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committees on Transportation and Energy and Economic Development, Tourism, and Technology,



GLENN WAKAI, Chair

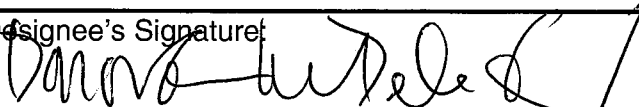


LORRAINE R. INOUE, Chair



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Twenty-Ninth Legislature
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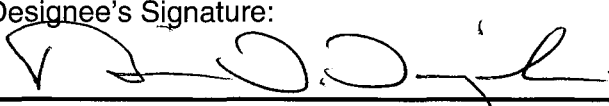
Record of Votes
Committee on Transportation and Energy
TRE

Bill / Resolution No.:* SB 660	Committee Referral: TRE/ETT, WAM	Date: 2/8/17		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
INOUE, Lorraine R. (C)	/			
DELA CRUZ, Donovan M. (VC)	/			
ENGLISH, J. Kalani	/			
HARIMOTO, Breene	/			/
SHIMABUKURO, Maile S.L.	/			
TOTAL	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow <u>Pink</u> Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
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Record of Votes
Committee on Economic Development, Tourism, and Technology
ETT

Bill / Resolution No.:* SB 660	Committee Referral: TRE/ETT, WAM	Date: 2/3/17		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
WAKAI, Glenn (C)	✓			
TANIGUCHI, Brian T. (VC)		✓		
BAKER, Rosalyn H.				✓
GALUTERIA, Brickwood	✓			
THIELEN, Laura H.	✓			
TOTAL	3	1	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

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