

STAND. COM. REP. NO.

520

Honolulu, Hawaii

February 17, 2017

RE: H.B. No. 1248

H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committees on Energy & Environmental Protection and
Economic Development & Business, to which was referred H.B. No.
1248 entitled:

"A BILL FOR AN ACT RELATING TO MICROGRIDS,"

beg leave to report as follows:

The purpose of this measure is to authorize the establishment
of microgrid demonstration projects for the generation, storage
and distribution of renewable energy.

The Natural Energy Laboratory of Hawaii Authority, Energy
Research Systems, League of Women Voters of Hawaii, Life of the
Land, Ulupono Initiative, and Distributed Energy Resources Council
of Hawaii supported this measure. Holu Energy supported the
intent of this measure. Hawaiian Electric Company and its
subsidiary utilities Maui Electric Company and Hawaii Electric
Light Company opposed this measure. The Public Utilities
Commission provided comments.

Your Committees have amended this measure by:

- (1) Requiring the Natural Energy Laboratory of Hawaii
Authority to establish a microgrid advisory committee to
provide guidelines and advice on matters relating to its
microgrid demonstration project;

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- (2) Removing the designation for the Kalaeloa Community Development District to be a microgrid demonstration project;
- (3) Requiring any power sold by a microgrid demonstration project to be at a price equal to or less than the utility rates established by the Public Utilities Commission; and
- (4) Changing its effective date to January 28, 2081, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Economic Development & Business that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1248, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1248, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committees on Energy &
Environmental Protection and
Economic Development &
Business,



MARK M. NAKASHIMA, Chair



CHRIS LEE, Chair



