

STAND. COM. REP. NO.

10660

Honolulu, Hawaii

March 3, 2017

RE: H.B. No. 1567  
H.D. 2

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

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1567, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES COMMISSION,"

begs leave to report as follows:

The purpose of this measure is to authorize the Public Utilities Commission (Commission) to establish preferential electricity rates for communities that serve as geographic hosts for energy projects.

The Commission, Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, Hawaii Energy Policy Forum, and Life of the Land provided comments.

Your Committee recognizes, that while most of the testimony on this measure was in opposition, the measure, as received by your Committee, would have allowed those who simply live in the right zip code to receive a benefit in rates while those living outside the area would not. As such, your Committee has amended this measure to require that the project developer work collaboratively with the geographic host community to develop a community benefits program and fund a majority, if not all, of the contributions and support for the community benefits program.

HB1567 HD2 HSCR CPC HMS 2017-2661



Your Committee has additionally amended this measure by:

- (1) Changing its effective date to July 1, 2112, to facilitate further discussions on whether the changes made to this bill address fairness to ratepayers both within and outside of these project areas; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1567, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1567, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,



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ANGUS L.K. McKELVEY, Chair



