

STAND. COM. REP. NO.

3603

Honolulu, Hawaii

APR 06 2018

RE: H.B. No. 2110
H.D. 2
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 2110, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO RESILIENCY,"

begs leave to report as follows:

The purpose and intent of this measure is to encourage and facilitate the development and use of microgrids in the State through the establishment of a standard microgrid services tariff.

Your Committee received written comments in support of this measure from the Blue Planet Foundation; Distributed Energy Resources Council; Electricity Working Group Hawaii Energy Policy Forum; Hawaiian Electric Company, Inc.; Oahu County Committee on Legislative Priorities of the Democratic Party of Hawaii; Organizing for Action; Sierra Student Coalition; Ulupono Initiative; Young Progressives Demanding Action; 350Hawaii.org; and four individuals.

Your Committee received written comments in opposition to this measure from the Kauai Island Utility Cooperative.

Your Committee received written comments on this measure from the Division of Consumer Advocacy.



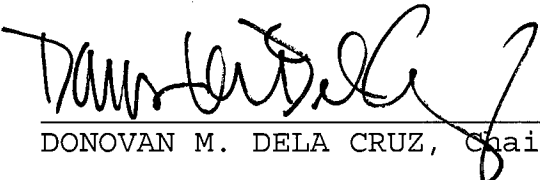
Your Committee finds that supporting the development and use of microgrids in the State by establishing a microgrid services tariff will promote the generation of resilient, reliable power and support the State's energy goals.

Your Committee has amended this measure by:

- (1) Deleting language that exempted certain microgrid projects from regulation as a public utility;
- (2) Inserting language that recognizes the Natural Energy Laboratory of Hawaii Authority as having the potential to operate a microgrid and specifies that the Authority may be designated as the first microgrid demonstration project after the microgrid services tariff is established;
- (3) Clarifying that municipal utility cooperatives are not subject to the microgrid services tariff;
- (4) Changing the effective date from July 1, 2050, to July 1, 2018; and
- (5) Making technical nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2110, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2110, H.D. 2, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



