

Honolulu, Hawaii

February 9, 2018

RE: H.B. No. 2460
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which
was referred H.B. No. 2460 entitled:

"A BILL FOR AN ACT RELATING TO MICROGRIDS,"

begs leave to report as follows:

The purpose of this measure is to designate and establish
requirements for a Natural Energy Laboratory of Hawaii Authority
(NELHA) microgrid demonstration project that can assist in
understanding, developing, and refining microgrid technologies and
policies in the State.

NELHA, Oahu County Committee on Legislative Priorities of the
Democratic Party of Hawaii, Uluono Initiative, Hawaii Solar
Energy Association, Kokua Hawaii Foundation, and several
individuals supported this measure. Hawaiian Electric Company,
Maui Electric Company, and Hawaii Electric Light Company opposed
this measure. Life of the Land provided comments.

Your Committee has amended this measure by:

- (1) Recognizing and affirming the Legislature's endorsement
of NELHA as having the potential to operate a microgrid;
- (2) Authorizing NELHA to plan and design a microgrid on its
property;



- (3) Requiring the Public Utilities Commission to open a docket and conduct an expedited proceeding specific to NELHA to determine how the NELHA microgrid demonstration project can operate on an ongoing basis as a microgrid test facility;
- (4) Requiring the Public Utilities Commission to take steps to enable and compel electric public utilities to allow the development of the NELHA microgrid demonstration project by non-utilities; and
- (5) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2460, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2460, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,



CHRIS LEE, Chair



