

Honolulu, Hawaii

MAR 22 2019

RE: H.B. No. 550
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Energy, Economic Development, and Tourism, to which was referred H.B. No. 550, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require the Public Utilities Commission to study the feasibility of implementing renewable portfolio standards to encourage the use of renewable energy by gas utility companies; and
- (2) Amend the renewable portfolio standard interim goals for 2030 and 2040 to accelerate the adoption of renewable energy.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Life of the Land; Uluono Initiative; Elemental Excelerator; Healthy Climate Communities; Blue Planet Foundation; and twelve individuals. Your Committee received testimony in opposition to this measure from the Hawaii Teamsters and Allied Workers, Local 996; Hawai'i Gas; Building Industry Association of Hawaii; Chamber of Commerce Hawaii; and twenty individuals. Your Committee received comments on this measure from the Department of



Transportation; Department of Commerce and Consumer Affairs; Public Utilities Commission; University of Hawai'i System; Organizing for Action; and Hawaiian Electric Company, Inc.

Your Committee finds that the need to reduce carbon emissions globally has become increasingly urgent and the timely transition toward renewable energy in Hawaii is imperative. Your Committee also finds that under the existing definition of renewable portfolio standard, the double counting of renewable distributed energy resources by using sales (renewable electrical energy sales divided by total electrical sales) instead of generation (renewable electrical energy generation divided by total electrical energy generation) overestimates the amount of renewable energy serving Hawaii's electric utility customers.

Your Committee is concerned that requiring electric utilities but not gas utilities to generate energy through renewable sources creates an unfair playing field that may unintentionally harm consumers and the environment by promoting investments in fossil fuels through gas-fired distributed electrical generation.

This measure amends the metric for renewable portfolio standard to be a percentage of electrical energy generation, which will provide a more accurate measurement of the State's actual renewable energy production and intent to eliminate reliance on fossil fuels, thereby facilitating the State's clean energy initiative and renewable energy goals.

Your Committee has amended this measure by:

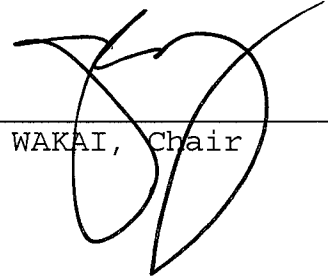
- (1) Removing provisions requiring the Public Utilities Commission to conduct a renewable gas portfolio standards study;
- (2) Removing the appropriation for the Public Utilities Commission to conduct a renewable gas portfolio standards study;
- (3) Amending the definition of "renewable portfolio standard" to be the percentage of electrical energy generation, rather than sales, that is represented by renewable electrical energy;



- (4) Reinstating the forty percent renewable portfolio standards percentage goal for December 31, 2030;
- (5) Reinstating the seventy percent renewable portfolio standards percentage goal for December 31, 2040;
- (6) Removing the provision that required all electric grid-connected energy systems to be one hundred percent renewable energy systems by December 31, 2045; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy, Economic Development, and Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 550, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 550, H.D. 1, S.D. 1, and be referred to your Committees on Commerce, Consumer Protection, and Health and Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Energy, Economic
Development, and Tourism,

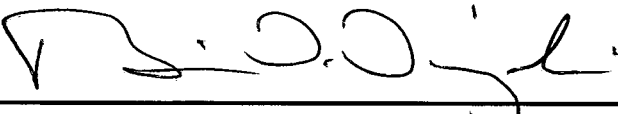


GLENN WAKAI, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Energy, Economic Development, and Tourism
EET

Bill / Resolution No.:*	Committee Referral:	Date:		
HD 550 HD1	EET, CPH/WAM	3/11/19		
<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)	✓			
INOUYE, Lorraine R.	✓			
KEOHOKALOLE, Jarrett	✓			
FEVELLA, Kurt				✓
TOTAL	4	0	0	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes