

STAND. COM. REP. NO. **1006**-20

Honolulu, Hawaii

FEB 28 , 2020

RE: H.B. No. 2657
H.D. 3

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2657, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO A COAL-FREE HAWAII,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Clarify the types of power purchase agreements, fuel supply agreements, and facility construction and purchases that the Public Utilities Commission shall not approve after June 30, 2020;
- (2) Prohibit the Department of Health from issuing or renewing covered source air permits for coal-burning electricity generation facilities after December 31, 2022; and
- (3) Prohibit an independent power producer from passing on the environmental response, energy, and food security tax to a purchasing utility company.

Your Committee received testimony in support of this measure from the Hawaii State Energy Office, Hawaii Youth Climate Coalition, Sierra Club of Hawaii, Climate Protectors Coalition, Young Progressives Demanding Action, IMUAlliance, 350Hawaii.org,

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Hawaii Public Health Association, Elemental Excelerator, Blue Plant Foundation, and numerous individuals. Your Committee received comments on this measure from the Department of Health; Department of Commerce and Consumer Affairs; Department of Taxation; Public Utilities Commission; and Hawaiian Electric Company, Inc.

Your Committee has amended this measure by:

- (1) Removing the provisions that:
 - (A) Clarify the types of fuel supply agreements and facility construction and purchases that the Public Utilities Commission shall not approve; and
 - (B) Prohibit an independent power producer from passing on the environmental response, energy, and food security tax to a purchasing utility company;
- (2) Specifying that beginning after June 30, 2020, the Public Utilities Commission is prohibited from approving any new, modified, or renewed power purchase agreement that proposes to burn or consume coal to generate electricity; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2657, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2657, H.D. 3.

Respectfully submitted on
behalf of the members of the
Committee on Finance,


SYLVIA LUKE, Chair



