

STAND. COM. REP. NO.

2467

Honolulu, Hawaii

FEB 11 2020

RE: S.B. No. 2801
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Energy, Economic Development, and Tourism,
to which was referred S.B. No. 2801 entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

begs leave to report as follows:

The purpose and intent of this measure is to require the
Public Utilities Commission to establish preferential electricity
rates for residential properties located within a five-mile radius
of a utility scale wind energy facility.

Your Committee received testimony in support of this measure
from the Environmental Caucus of the Democratic Party of Hawaii;
We Are One, Inc; 350Hawaii; and nineteen individuals. Your
Committee received comments on this measure from the Department of
Commerce and Consumer Affairs, Hawaii State Energy Office, Public
Utilities Commission, and Hawaiian Electric.

Your Committee finds that utility scale wind energy
facilities are a valuable source of renewable energy and brings
the State closer to realizing its goal of one hundred percent
renewable energy by 2045. However, your Committee further finds
that there are financial, societal, and environmental costs to the
installation of industrial wind energy systems. Utility scale
wind energy facilities typically require a significant amount of
tax dollars and raises health concerns. Your Committee also finds
that the communities near utility scale wind energy systems are



burdened by being in close proximity to these facilities, yet seldom receive direct benefits to offset the potential risks of living near utility scale wind facilities. This measure will offset the potential risks by offering preferential electricity rates to communities near a utility scale wind energy facility.

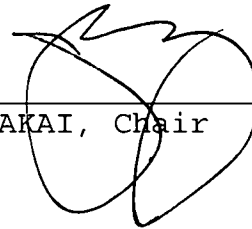
Your Committee has amended this measure by:

- (1) Reducing the radius of eligible properties that receive the preferential rate from five miles to one mile;
- (2) Requiring the Public Utilities Commission, in its consideration of preferential rates, to ensure that any subsidization being paid by other customers is limited and reasonable and to periodically review and adjust the rate, if necessary; and
- (3) 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 S.B. No. 2801, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2801, S.D. 1, and be referred to your Committee on Commerce, Consumer Protection, and Health.

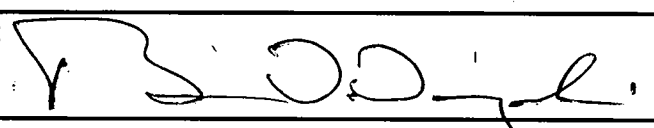
Respectfully submitted on
behalf of the members of the
Committee on Energy, Economic
Development, and Tourism,

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.:* SB 2801	Committee Referral: EET, CPH	Date: 1/31/2020		
<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)	✓			
INOUE, Lorraine R.				✓
KEOHOKALOLE, Jarrett	✓			
FEVELLA, Kurt				✓
TOTAL	3	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes