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**Testimony of the Department of Commerce and Consumer Affairs**

**Before the  
House Committee on Lower and Higher Education  
Tuesday, February 12, 2019  
2:15 p.m.  
State Capitol, Conference Room 309**

**On the following measure:  
H.B. 1583, H.D. 1, RELATING TO ELECTRIC GRID RESILIENCY**

Chair Woodson and Members of the Committee:

My name is Dean Nishina, and I am the Executive Director of the Department of Commerce and Consumer Affairs' (Department) Division of Consumer Advocacy. The Department offers comments on this bill.

The purpose of this bill is to require the Department of Education to establish a pilot program in which various schools are provided with renewable energy systems that are capable of providing backup power in the event of a natural disaster or other similar emergency. The measure also requires the Public Utilities Commission (Commission) to consider ways to incentivize the implementation of these systems.

The need for Hawaii to evaluate its existing electric grids and their ability to withstand a natural disaster or similar emergency is clear. The ability of a microgrid or a distributed energy system to provide possible solutions is one reason why the Commission has opened Docket No. 2018-0164, which is investigating microgrids. The role that microgrids and distributed systems can play in addressing emergency

situations are also being considered in the Integrated Grid Planning proceedings. In addition, the appropriate pricing for services to the grid by distributed energy systems and/or microgrids will be a major focal point in the market track phase in the distributed energy systems proceeding, Docket No. 2014-0192.

Thus, the Department appreciates the Legislature's recognition reflected in H.D. 1 that there are ongoing Commission proceedings that will address the concerns raised in this measure and the guidance that the Commission should consider ways to encourage the installation of renewable energy systems in public schools that can provide backup power if the electric grid is unavailable.

The Department also respectfully raises a possible affordability issue – namely, a renewable energy system that provides continuous backup power for a prolonged or an indefinite time would be very expensive. Accordingly, it may be reasonable for the Committee to evaluate possible systems that might be designed and the related costs.

Thank you for the opportunity to testify on this bill.

TESTIMONY OF  
JAMES P. GRIFFIN, Ph.D.  
CHAIR, PUBLIC UTILITIES COMMISSION  
STATE OF HAWAII

TO THE  
HOUSE COMMITTEE ON  
LOWER AND HIGHER EDUCATION

February 12, 2019  
2:15 p.m.

Chair Woodson and Members of the Committee:

**MEASURE:** H.B. No. 1583 HD1

**TITLE:** RELATING TO ELECTRIC GRID RESILIENCY.

**DESCRIPTION:** Requires the Department of Education to establish a pilot program in 4 schools to install renewable energy systems capable of providing backup power in the event of a natural disaster or other similar emergency. Requires the Public Utilities Commission to consider in its current and ongoing proceedings ways to incentivize the implementation of renewable energy systems in public schools. (HB1583 HD1)

**POSITION:**

The Public Utilities Commission offers the following comments for consideration.

**COMMENTS:**

The Public Utilities Commission (“Commission”) supports the intent of this bill to increase the resilience of the state in the face of natural disasters and other emergencies. The Commission is currently working with the state’s electric utilities and other key stakeholders in several related proceedings to address this issue, including the Hawaiian Electric Companies’ integrated grid planning (“IGP”) process (see Docket No. 2018-0165), the development of a microgrid services tariff (see Docket No. 2018-0163), and the establishment of performance-based regulatory mechanisms (“PBR”) for resilience (see Docket No. 2018-0088).

The Commission is also working closely with the Public Benefits Fee Administrator (“Hawaii Energy”) to design new programs and services funded by the Public Benefits Fee (“PBF”), including program offerings and incentives related to resilience (see Docket

No. 2007-0323). Hawaii Energy is currently developing a program plan covering the next three years (i.e., through 2021), which will be submitted for public review and comment in May 2019.

With respect to the requirement that the Commission consider, in current and ongoing proceedings, ways to incentivize these systems, the Commission is appreciative of Legislative guidance on this matter, and will continue to develop appropriate resilience programs and incentives through currently open and active proceedings, including the IGP, microgrid, PBR, and PBF dockets identified above.

Thank you for the opportunity to testify on this measure.



STATE OF HAWAII  
DEPARTMENT OF EDUCATION  
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**LATE**

**Date:** 02/12/2019

**Time:** 02:15 PM

**Location:** 309

**Committee:** House Lower & Higher  
Education

**Department:** Education

**Person Testifying:** Dr. Christina M. Kishimoto, Superintendent of Education

**Title of Bill:** HB 1583, HD1 RELATING TO ELECTRIC GRID RESILIENCY.

**Purpose of Bill:** Requires the Department of Education to establish a pilot program in 4 schools to install renewable energy systems capable of providing backup power in the event of a natural disaster or other similar emergency. Requires the Public Utilities Commission to consider in its current and ongoing proceedings ways to incentivize the implementation of renewable energy systems in public schools. (HB1583 HD1)

**Department's Position:**

The Hawaii State Department of Education (Department) provides comments on HB 1583, HD1.

The Department will complete a pilot project at 3633 Waialae Avenue by the end of March 2019. The pilot project seeks to determine the feasibility and economic viability of a combination solar renewable energy, battery backup power, and diesel fuel generator system at a DOE facility.

Following analysis and testing of this pilot project, the Department will be able to report to the Legislature whether implementation of similar systems at designated school shelters are viable.

As a pilot project is already underway, respectfully, HB 1583, HD1 is not necessary.

Thank you for the opportunity to provide testimony on this measure.

The Hawaii State Department of Education seeks to advance the goals of the Strategic Plan which is focused on student success, staff success, and successful systems of support. This is achieved through targeted work around three impact strategies: school design, student voice, and teacher collaboration. Detailed information is available at [www.hawaiipublicschools.org](http://www.hawaiipublicschools.org).

**LATE**

**HB-1583-HD-1**

Submitted on: 2/11/2019 4:27:35 PM

Testimony for LHE on 2/12/2019 2:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Melodie Aduja	O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i	Support	No

Comments: