

STAND. COM. REP. NO. 1378

Honolulu, Hawaii

MAR 30 2021

RE: S.C.R. No. 248
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committees on Commerce and Consumer Protection and Energy, Economic Development, and Tourism, to which was referred S.C.R. No. 248 entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING THAT THE PUBLIC UTILITIES COMMISSION DEVELOP AND ADOPT RELIABILITY STANDARDS AND INTERCONNECTION REQUIREMENTS TO FACILITATE THE TIMELY INTERCONNECTION OF UTILITY-SCALE RENEWABLE ENERGY PROJECTS,"

beg leave to report as follows:

The purpose and intent of this measure is to request that the Public Utilities Commission develop and adopt reliability standards and interconnection requirements to facilitate the timely interconnection of utility-scale renewable energy projects.

Your Committees received testimony in support of this measure from the Public Utilities Commission, Hawaii Clean Power Alliance, and Environmental Caucus of the Democratic Party of Hawai'i. Your Committees received testimony in opposition to this measure from Hawaiian Electric Company, Inc. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committees find that there have been significant and unreasonable delays in interconnecting renewable energy projects, which were intended to help reduce costs for consumers, move Hawaii towards achieving its energy goals, and uphold an electric



system that serves the public interest. Your Committees note the efforts made by the Public Utilities Commission (Commission) to prevent future delays and expedite interconnection timelines for renewable energy projects and further note that the State's decision to retire the Oahu coal plant and the Kahului power plant was based on the reasonable expectation of timely completion of new replacement renewable generation. However, delays have heightened certain concerns. Your Committees further note that costs for interconnection remain unknown until a project is well into development, after power purchase pricing has been committed to, creating additional uncertainties for the project's successful completion. This measure supports efforts to address the interconnection process, timeliness, transparency, equity, and reliability of renewable energy projects by requesting the Commission to create the standards for electric grid reliability and contract with an independent Hawaii Electricity Reliability Administrator to oversee electric grid reliability.

Your Committees have amended this measure by:

- (1) Inserting language requesting the Commission to submit a report to the Legislature, no later than thirty days prior to the convening of the Regular Session of 2022, to include:
 - (A) Findings, updates, and recommendations following the Commission's April 2021 status conference addressing circumstances specific to Maui;
 - (B) Recommendations and proposed legislation amending section 269-146, Hawaii Revised Statutes, to ensure that the Commission has discretion in determining how the Hawaii electricity reliability surcharge should be assessed to reduce potential risks to ratepayers and that customers are not forced to bear the cost burden for the establishment of the Hawaii Electricity Reliability Administrator;
 - (C) Findings and updates from the Governor's task force addressing the retirement of the AES Coal Plant by 2022 and any Commission updates or recommendations in response thereto; and



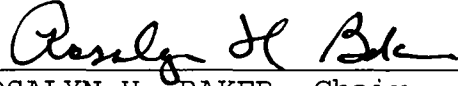
- (D) Further recommendations, including any proposed legislation, concerning any of the foregoing; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Energy, Economic Development, and Tourism that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 248, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 248, S.D. 1.

Respectfully submitted on
behalf of the members of the
Committees on Commerce and
Consumer Protection and Energy,
Economic Development, and
Tourism,



GLENN WAKAY, Chair



ROSALYN H. BAKER, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

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

Bill / Resolution No.:* SCR 248	Committee Referral: CPN/EET	Date: 3/25/21		
<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)	✓			
MISALUCHA, Bennette E. (VC)	✓			
LEE, Chris	✓			
RIVIERE, Gil	✓			
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 Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes