

STAND. COM. REP. NO.

555

Honolulu, Hawaii

FEB 19 2021

RE: S.B. No. 1371
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 Government Operations and Energy, Economic Development, and Tourism, to which was referred S.B. No. 1371 entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

beg leave to report as follows:

The purpose and intent of this measure is to authorize government agencies to wheel electricity produced by their own facilities from renewable energy sources, subject to disallowance by the Public Utilities Commission.

Your Committees received testimony in support of this measure from the 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. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs Division of Consumer Advocacy and Public Utilities Commission.

Your Committees find that as a result of pursuing its goal to reach one hundred percent renewal energy by 2045, Hawaii now leads other states in nearly every category of renewable energy. Notwithstanding such progress, the State continues to depend heavily upon imported petroleum for its energy needs and fall short of its ambitious renewable energy goals. Your Committees



believe that they must continue to support established renewable energy sources emerging from new technological innovations.

Your Committees further find that the production of clean electricity may be encouraged if government agencies, as sellers of clean electricity, are allowed to engage in intra-government wheeling. The State and other government entities could acquire clean electricity by purchasing it from a clean electricity project developer and then transmitting it across utility lines owned and maintained by an existing electric utility to the government agency or another government agency.

Your Committees recognize the concerns raised in testimony provided by the Hawaiian Electric Company regarding the impact wheeling has on utilities and urges the Public Utilities Commission to consider the following when assessing wheeling requests:

- (1) The financial costs and impacts of intra-governmental wheeling on non-wheeling customers of a utility;
- (2) The impact intragovernmental wheeling will have on existing independent power producers already providing energy under contract to Hawaii's electric utilities;
- (3) Any power back-up issues;
- (4) How the rates for intra-governmental wheeling will be established; and
- (5) The implementation costs of intra-governmental wheeling.

Your Committees further find that it is important to provide the Public Utilities Commission with flexibility to carry out the provisions in this measure.

Accordingly, your Committees have amended this measure by authorizing the Public Utilities Commission to adopt rules pursuant to chapter 91, Hawaii Revised Statutes, or by order of the Public Utilities Commission in order to implement the provisions of this measure.

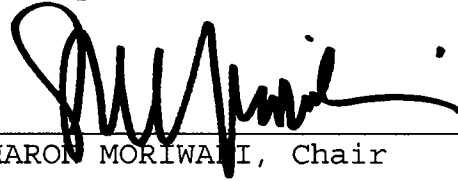


As affirmed by the records of votes of the members of your Committees on Government Operations and Energy, Economic Development, and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1371, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1371, S.D. 1, and be referred to your Committee on Commerce and Consumer Protection.

Respectfully submitted on behalf of the members of the Committees on Government Operations and Energy, Economic Development, and Tourism,



GLENN WAKAI, Chair

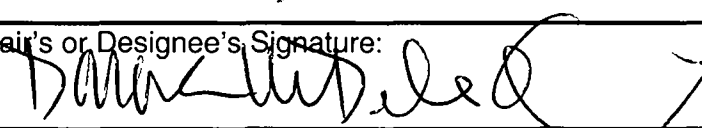


SHARON MORIWAI, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

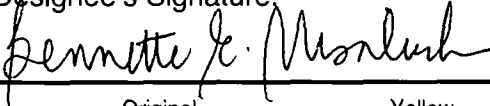
Record of Votes
Committee on Government Operations
GVO

Bill / Resolution No.:* SB 1371	Committee Referral: GVO/EET, CPN	Date: 2/17/21		
<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
MORIWAKI, Sharon Y. (C)	/			
DELA CRUZ, Donovan M. (VC)	/			
CHANG, Stanley	/			
GABBARD, Mike				/
FEVELLA, Kurt	/			
TOTAL	4			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

The Senate
 Thirty-First Legislature
 State of Hawai'i

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

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1371	GVO/EET, CPN	2/17/21		
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Members	Aye	Aye (WR)	Nay	Excused
WAKAI, Glenn (C)	✓			
MISALUCHA, Bennette E. (VC)	/			
LEE, Chris				/
RIVIERE, Gil				✓
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				

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