

Honolulu, Hawaii

APR 29 2022

RE: S.B. No. 2510
S.D. 2
H.D. 1
C.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 2510, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) Amend the Hawaii State Planning Act to give consideration to reducing reliance on energy imports, ensuring that all new utility scale electricity generation projects are renewable, balancing of grid resources including firm renewable energy resources, and reliable replacement of fossil fuel generation with balanced grid resources;
- (2) Prohibit fossil fuel generation after December 31, 2045, except in certain circumstances; and



- (3) Expand vocational training in renewable energy and related industries.

Your Committee on Conference finds that to meet the State's goal of one hundred percent renewable energy by 2045, the State must consider a variety of options to utilize renewable energy sources to address the needs of the State while also providing reliable, clean energy to Hawaii's people. Therefore, the creation of a clean energy framework to address Hawaii's energy needs is critical to ensure the availability of clean, renewable energy for Hawaii's residents, communities, and businesses that is consistent with the State's goals.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that electricity generation facilities, rather than projects shall be renewable capable;
- (2) Requiring greater diversification of renewable energy generation to include intermittent and firm renewable generation to improve reliability and achieve one hundred percent renewable energy objectives;
- (3) Requiring reliable replacement of fossil fuel generation with firm renewable generation;
- (4) Clarifying that firm renewable generation shall be a minimum of 33.33 percent of renewable energy generation for each island and may only be updated by the Legislature through the following:
 - (A) Adoption of a concurrent resolution based on data from a study by the Hawaii Natural Energy Institute, as described in this measure; and
 - (B) Submission of a concurrent resolution by the Office of Planning and Sustainable Development to the Legislature for review of the proposed firm renewable energy generation minimum percentage;
- (5) Limiting the percentage of any one type of renewable energy source to forty-five percent of all generation for each island, except for geothermal generated energy;
- (6) Prohibiting fossil fuel generation after December 31, 2045, except in cases of emergencies, natural disasters,



and other extenuating circumstances beyond an electric utility company's reasonable control;

- (7) Clarifying the State's policy to include cost-saving decisions into pursuing energy objectives;
- (8) Clarifying the definition of "firm renewable energy" to include capability of continuous production of energy twenty-four hours per day, three hundred sixty-five days per year, on the demand of the energy system operator at its rated capacity, subject only to routine maintenance and repairs;
- (9) Inserting language to incentivize the development of firm renewable energy to replace fossil fuel generation;
- (10) Inserting language that requires the Office of Planning and Sustainable Development to update the energy state functional plan and submit an annual report to the Legislature regarding the status of the plan and related policies;
- (11) Inserting language that requires the Hawaii Natural Energy Institute to conduct a study to update the minimum percentage of firm renewable generation for each island and maximum proportion of any one renewable energy source on each island;
- (12) Inserting an appropriation of \$200,000 for the Hawaii Natural Energy Institute to conduct the study;
- (13) Inserting an appropriation of \$200,000 for the Office of Planning and Sustainable Development to update the energy state functional plan;
- (14) Inserting a purpose section reflecting its amended purpose;
- (15) Inserting an effective date of July 1, 2022; and
- (16) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of

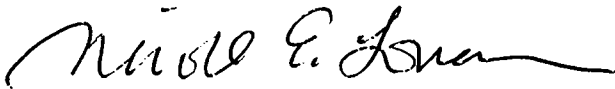


S.B. No. 2510, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2510, S.D. 2, H.D. 1, C.D. 1.

Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE


ON THE PART OF THE SENATE



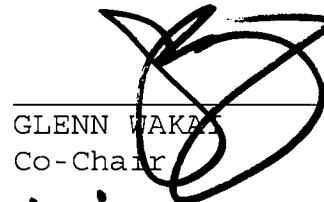
NICOLE E. LOWEN
Co-Chair



LORRAINE R. INOUYE
Chair



AARON LING JOHANSON
Co-Chair



GLENN WAKAI
Co-Chair



LISA MARTEN
Co-Chair



MICHELLE N. KIDANI
Co-Chair



