

Honolulu, Hawaii

, 2022

MAR 13

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

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

Sir:

Your Committee on Energy & Environmental Protection, to which was referred S.B. No. 2510, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish a state energy policy that requires the State to maintain a diversified renewable energy portfolio to include firm and intermittent renewable energy to ensure grid reliability;
- (2) Establish a state energy policy that requires at least fifty-five percent of renewable energy to be generated by firm renewable energy and for renewable energy to replace fossil fuel energy and achieve one hundred percent renewable energy generation;
- (3) Amend other statutory provisions to achieve at least fifty-five percent firm renewable energy generation for each island; and
- (4) Require the Office of Planning and Sustainable Development to update the energy state functional plan.



Your Committee received testimony in support of this measure from the International Longshore and Warehouse Union Local 142, Local 100, and Hawaii Longshore Division; Hawaii Bioeconomy Trade Organization; Pacific Biodiesel Technologies; International Brotherhood of Electrical Workers Local 1260; Par Hawaii; Hawaii Clean Power Alliance; Hawai'i Farm Bureau; and numerous individuals. Your Committee received testimony in opposition to this measure from the Hawaii State Energy Office, Tawhiri Power LLC, Practical Policy Institute of Hawaii, 350Hawaii.org, Climate Protectors Hawai'i, and five individuals. Your Committee received comments on this measure from the Department of Budget and Finance, Department of Commerce and Consumer Affairs, Office of Planning and Sustainable Development, Hawai'i Natural Energy Institute, Hawaiian Electric Company, and Kaua'i Island Utility Cooperative.

Your Committee finds that there is an increasing need to promote renewable energy and sustainability to meet the State's goal of one hundred percent renewable energy by 2045 and the State must consider a variety of renewable energy sources to address the needs of the State and provide clean energy to Hawaii's people. Therefore, it is critical to create a framework of how the State will achieve its goals in an expeditious and thoughtful manner to ensure that residents and businesses benefit from reliable, resilient, and affordable energy.

Your Committee has amended this measure by:

- (1) Deleting its purpose section;
- (2) Clarifying the objectives of state energy policy, including consideration of:
 - (A) A reduction of reliance on energy imports;
 - (B) Ensuring that all new utility scale electricity generation projects are renewable;
 - (C) A balance of grid resources to achieve certain goals and targets;
 - (D) Reliable replacement of fossil fuel generation with balanced grid resources; and



- (E) Achieving an appropriate balance of firm renewable energy generation with other grid resources;
- (3) Deleting language that would have set a minimum percentage for firm renewable energy generation for each island;
- (4) Deleting language that would have required the Office of Planning and Sustainable Development to submit to the Legislature a concurrent resolution for review of the proposed firm renewable energy generation minimum percentage and proposed extension of fossil fuel generation;
- (5) Deleting language that would have limited the percentage of any one type of renewable energy source for each island;
- (6) Deleting language that would have authorized the Legislature to grant no more than three consecutive three-year extensions related to the prohibition on fossil fuel generation after 2045;
- (7) Clarifying the definition of "firm renewable energy";
- (8) Inserting a definition for "grid resources";
- (9) Deleting language that would have required and appropriated funds for 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;
- (10) Deleting language that would have required and appropriated funds for 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; and
- (11) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.



As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2510, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2510, S.D. 2, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,



NICOLE E. LOWEN, Chair



