

STAND. COM. REP. NO. 1204-22

Honolulu, Hawaii

MAR 22, 2022

RE: S.B. No. 3057
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. 3057, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO RENEWABLE PORTFOLIO STANDARDS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require electric utility companies to track and annually report data and trends on customer retention and attrition to further inform the calculation of renewable portfolio standards;
- (2) Amend the definition of "renewable portfolio standard" to more accurately reflect the percentage of renewable electrical energy generated in the State and amend the future renewable portfolio standards to reflect targets based on net electricity generation, rather than sales;
- (3) Amend the events or circumstances beyond an electric utility company's reasonable control, which determine whether the electric utility company may be subject to penalties for failing to meet the renewable portfolio standard; and

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- (4) Require electric utility companies to make every reasonable effort to ensure that independent power producers connected to the grid are converting to renewable resources by July 1, 2027, under certain conditions.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Commerce and Consumer Affairs; Hawaii State Energy Office; Public Utilities Commission; Climate Protectors Hawai'i; Hawaii Interfaith Power and Light; Aloha Animal Advocates; Pele Lani Farm LLC; Ulupono Initiative; 350Hawaii.org; Kauai Women's Caucus; Hawaii Clean Power Alliance; and numerous individuals. Your Committee received testimony in opposition to this measure from Hawaiian Electric Company.

Your Committee finds that for the State to reach its renewable portfolio standard for December 31, 2045, the State must transition away from imported fossil fuels and toward renewable local resources. However, the existing calculation of the renewable portfolio standard, which is based on electrical energy sales rather than on electrical energy generation, overestimates the amount of renewable energy serving Hawaii's electric utility customers. This measure ensures that the State's progress toward its energy and climate goals is accurately measured and addresses increasing concerns over continued reliance on imported fossil fuels.

Your Committee has amended this measure by:

- (1) Deleting language that would have required electric utility companies to make every reasonable effort to ensure that independent power producers connected to the grid are converting to renewable resources by July 1, 2027; and
- (2) 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. 3057, S.D. 2, as amended herein, and



recommends that it pass Second Reading in the form attached hereto as S.B. No. 3057, 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



