

STAND. COM. REP. NO. 907

Honolulu, Hawaii

MAR 05 2021

RE: S.B. No. 931
S.D. 2

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 Ways and Means, to which was referred S.B. No. 931, S.D. 1, entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Prohibit, after December 31, 2035, any new extension, improvements, overhauling, or refurbishing of any fossil fuel electricity generation or fossil-fuel powered electricity use for grid-tied battery energy storage, except for routine maintenance or minor repairs up to \$2,500,000 per existing facility in order to maintain reliability; and
- (2) Prohibit, after December 31, 2045, the use of fossil fuels for electricity generation or grid-tied battery energy storage.

Your Committees received testimony in support of this measure from the City and County of Honolulu Department of Design and Construction, League of Women Voters of Hawaii, Climate Protectors Hawaii, Environmental Caucus of the Democratic Party of Hawai'i, 350 Hawaii, Hawaii Clean Power Alliance, Environmental Justice Task Force of Faith Action for Community Equity, and four individuals. Your Committees received testimony in opposition to



this measure from Hawaiian Electric Company; Kaua'i Island Utility Cooperative; and Royal Contracting Co., Ltd. Your Committees received comments on this measure from the Hawaii State Energy Office, Department of Commerce and Consumer Affairs, Public Utilities Commission, and General Contractors Association of Hawaii.

Your Committees find that climate change is a serious threat facing our State and promoting renewable energy resources is necessary to reduce the State's dependence on fossil fuels and accomplish its goal of a one hundred percent renewable portfolio standard by the year 2045. This measure phases out the use of fossil fuels for energy generation and storage to assist the State in reaching this goal.

Your Committees note that Hawaiian Electric Company has exceeded its goal of thirty percent renewable energy as of this year, and its most recent power supply improvement plan update forecasts the one hundred percent renewable portfolio standard will be reached in 2040. Your Committees further note that the Public Utilities Commission is currently overseeing the creation and implementation of an Integrated Grid Planning Report, which proposes to merge three historically separate planning processes (generation, transmission, and distribution), while integrating competitive procurement into a comprehensive grid planning approach to attain a more holistic understanding of each island's grid.

Your Committees have heard the concerns raised in testimony that this measure, as currently drafted, may have certain unintended consequences relating to reliability and resiliency issues, and fails to extend similar exemptions under existing law for electric utility companies that are unable to meet certain standards due to emergencies or events and circumstances outside of their reasonable control. Therefore, amendments to this measure are necessary to address these concerns.

Your Committees have amended this measure by:

- (1) Clarifying that, beginning after December 31, 2045, the Public Utilities Commission shall not approve or extend any electricity generation facility that applies or proposes to use fossil fuels to generate electricity or



to store electricity into a public utility grid-tied energy storage system resource;

- (2) Deleting language that, beginning after December 31, 2035, would have prohibited the Public Utilities Commission from approving or extending any material improvements to any existing electricity generation facilities that extend the life of fossil fuel-powered electricity generation or storage facilities, except for routine maintenance or minor repairs up to \$2,500,000 to maintain reliability;
- (3) Inserting language authorizing the Public Utilities Commission to waive, in whole or in part, any applicable penalties if the Commission determines that an electricity generation or storage facility is unable to meet the requirements contemplated under this measure due to certain events or circumstances beyond foreseeable control of the facility;
- (4) Deleting "battery" from the terms "renewable energy-powered energy storage" and "fossil fuel-powered energy storage" to ensure that other forms of storage technology are also subject to the requirements imposed by this measure;
- (5) Inserting an effective date of July 1, 2055, to encourage further discussion; and
- (6) 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 Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 931, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 931, S.D. 2.



Respectfully submitted on
behalf of the members of the
Committees on Commerce and
Consumer Protection and Ways
and Means,

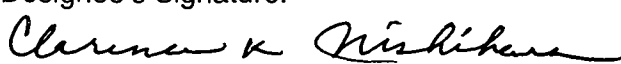

DONOVAN M. DELA CRUZ, Chair


ROSALYN H. BAKER, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

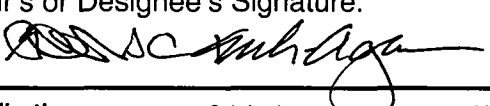
Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* SB931 SD1	Committee Referral: EET, CPN/WAM	Date: 03/04/2021		
<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
BAKER, Rosalyn H. (C)	/			
CHANG, Stanley (VC)	/			
MISALUCHA, Bennette E.	/			
NISHIHARA, Clarence K.	/			
RIVIERE, Gil	/			
SAN BUENAVENTURA, Joy A.	/			
FEVELLA, Kurt	/			
TOTAL	7	—	—	—
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 Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 931, SD 1	EET, CPN/WAM	3/4/21		
<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
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.	X			
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	//			
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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