

STAND. COM. REP. NO. **907** -24

Honolulu, Hawaii

MAR 01, 2024

RE: H.B. No. 2390
H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2390, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to require the Public Utilities Commission to consider the lifecycle greenhouse gas emissions when making determinations of the reasonableness of costs pertaining to electric or gas utility system capital improvements and operations.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs; Hawaii State Energy Office; Public Utilities Commission; and one individual. Your Committee received comments on this measure from Hawaiian Electric.

Your Committee finds that Act 238, Session Laws of Hawaii 2022, required the Hawaii State Energy Office to analyze pathways and develop recommendations for achieving the State's economy-wide decarbonization goals. As part of its report, the Office highlighted the importance of considering lifecycle emissions as more biofuel-powered projects and biofuel contracts would be before the Public Utilities Commission for approval. This is because the lifecycle carbon intensity for different biofuels is

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wide-ranging and is highly dependent on feedstock characteristics, fertilizer application, growth characteristics, and processing methods. Therefore, the lifecycle greenhouse gas emissions from bioenergy may not always exhibit emissions lower than fossil fuel.

Your Committee further finds that a lifecycle greenhouse gas analysis, also known as lifecycle assessment, quantifies or evaluates the environmental and climate warming impact of specific products or activities throughout their entire lifecycle, including extraction, distribution, use, and disposal. A lifecycle assessment provides a framework for the Public Utilities Commission to consider the environmental and greenhouse gas implications of projects seeking Commission approval, facilitating informed decision-making and the Commission's requirement to protect the public interest. This measure requires the Commission to consider lifecycle greenhouse gas emissions when determining the reasonableness of costs pertaining to electric or gas utility system capital improvements and operations.

Your Committee has amended this measure by:

- (1) Clarifying the definition of "lifecycle greenhouse gas emissions assessment";
- (2) Requiring the Public Utilities Commission to consider lifecycle greenhouse gas emissions when making a determination on the reasonableness of costs for projects involving the combustion of fuel; and
- (3) 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2390, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2390, H.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



MARK M. NAKASHIMA, Chair



