

STAND. COM. REP. NO.

10

Honolulu, Hawaii

, 2023

FEB 02

RE: H.B. No. 588
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which
was referred H.B. No. 588 entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require the Public Utilities Commission to:
 - (A) Establish reliability standards and interconnection requirements for certain renewable energy projects;
 - (B) Distinguish between interconnection facilities and utility network upgrades;
 - (C) Ensure that the cost of interconnection facilities is the responsibility of the interconnection customer;
 - (D) Ensure that the cost of utility network upgrades is the sole responsibility of the transmission provider; and

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- (E) Submit a report and assessment of the Hawaii electricity reliability administrator to the Legislature;
- (2) Establish a timeline and requirements for interconnection procedures for certain utility-scale renewable energy projects; and
- (3) Make the Public Utilities Commission's contracting for the Hawaii electricity reliability administrator mandatory rather than discretionary.

Your Committee received testimony in support of this measure from the Hawaii Clean Power Alliance, Environmental Caucus of the Democratic Party of Hawai'i, and one individual. Your Committee received testimony in opposition to this measure from Hawaiian Electric and Building Industry Association of Hawaii. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs and Public Utilities Commission.

Your Committee finds that the timely completion of grid-connected renewable energy projects is a high priority, as it will help the State achieve the targets and limits established through prior legislation. Additionally, it is critical to establish grid reliability standards, regulate the timely and transparent interconnection of utility-scale renewable energy projects, and distinguish the cost responsibilities between interconnection facilities and utility network upgrades. This measure ensures that utility-scale renewable energy projects are brought online sooner and provides project developers with added certainty regarding project timelines and transparent costs, which could result in a decrease of electricity rates for consumers and achieving the State's renewable portfolio standard goals.

Your Committee has amended this measure by:

- (1) Deleting provisions that would have required the Public Utilities Commission to contract for the Hawaii electricity reliability administrator and submit a report and assessment of the Hawaii electricity reliability administrator to the Legislature;
- (2) Changing the effective date to July 1, 3000, to encourage further discussion; 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 Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 588, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 588, 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



