

Honolulu, Hawaii

FEB 16 2024

RE: S.B. No. 3079
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Agriculture and Environment, to which was referred S.B. No. 3079 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Clarify the requirement for the Public Utilities Commission (PUC) to consider the effect of the State's reliance on fossil fuels on generation-based greenhouse gas emissions, rather than on greenhouse gas emissions;
- (2) Allow the PUC the discretion on whether to require an analysis for energy projects that do not result in generation-based greenhouse gas emissions;
- (3) Clarify that the PUC, to lower and stabilize the cost of electricity, consider, in part, the costs and benefits of a diverse portfolio of energy resources, rather than a diverse portfolio of fossil fuels; and
- (4) Make conforming amendments.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Public



Utilities Commission, Hawaiian Electric, and Hawaii Clean Power Alliance.

Your Committee received comments on this measure from the Hawai'i State Energy Office.

Your Committee finds that, when determining the reasonableness of the costs regarding energy projects of electric and gas systems, the PUC is required to conduct an analysis to consider the effect of the State's reliance on fossil fuels on certain matters, such as greenhouse gas emissions. However, your Committee recognizes that not only are these analyses time-consuming and costly, but these costs are usually passed on to ratepayers. By giving the PUC discretion to conduct these analyses for projects with zero generation-based greenhouse gas emissions, this measure reduces costs to ratepayers while supporting more timely review of energy projects in the State.

However, your Committee recognizes concerns from the Hawaii State Energy Office regarding the inconsistency and ambiguity of this measure as it pertains to greenhouse gas emissions, and that omitting the analysis of lifecycle greenhouse gas emissions is inconsistent with the intent of this measure and the PUC's duty to protect public interest.

Accordingly, your Committee has amended this measure by:

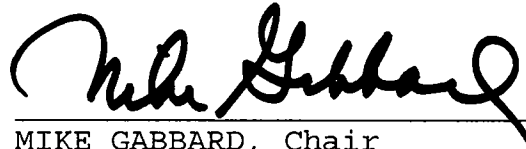
- (1) Clarifying that the PUC analyze the effect of the State's reliance on fossil fuels on lifecycle greenhouse gas emissions for projects involving fuel combustion; provided that the PUC may require a lifecycle greenhouse gas emissions analysis for energy projects that do not involve the combustion of fuel;
- (2) Inserting a definition of "lifecycle greenhouse gas emissions assessment"; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of



S.B. No. 3079, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3079, S.D. 1, and be referred to your Committee on Commerce and Consumer Protection.

Respectfully submitted on
behalf of the members of the
Committee on Agriculture and
Environment,



MIKE GABBARD, Chair



