

STAND. COM. REP. NO.

54

Honolulu, Hawaii

FEB 06

, 2023

RE: H.B. No. 191
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. 191 entitled:

"A BILL FOR AN ACT RELATING TO CLIMATE MITIGATION,"

begs leave to report as follows:

The purpose of this measure is to require:

- (1) The Public Utilities Commission to develop an estimated social cost of carbon;
- (2) Each regulated electric and gas utility to use the estimated social cost of carbon in that utility's respective integrated resource planning process; and
- (3) The State to consider the estimated social cost of carbon in planning new infrastructure and capital improvement projects and when designing and constructing new buildings.

Your Committee received testimony in support of this measure from the Hawai'i Climate Change Mitigation and Adaptation Commission, Ulupono Initiative, Blue Planet Foundation, Kauai Climate Action Coalition, Hawaii Solar Energy Association, Environmental Caucus of the Democratic Party of Hawai'i, and four individuals. Your Committee received testimony in opposition to

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this measure from Hawaiian Electric and one individual. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs, Public Utilities Commission, and Hawai'i Gas.

Your Committee finds that in order for the State to make comprehensive and cost-effective assessments of investments in durable infrastructure projects, the cost of the greenhouse gas emissions associated with that infrastructure over the span of its expected useful life should be considered. Additionally, because the renewable portfolio standards do not account for the varying levels of emissions associated with different types of resources that are included in the State's definition of "renewable energy", adopting an implicit carbon price would ensure that the State's transition to renewable energy includes consideration of greenhouse gas emissions and of Hawaii's decarbonization goals.

Your Committee has amended this measure by:

- (1) Deleting provisions that would have required the Public Utilities Commission to establish an estimated social cost of carbon;
- (2) Requiring the Public Utilities Commission to require electric and gas utilities to use the social cost of greenhouse gas emissions established by the United States Interagency Working Group on the Social Cost of Greenhouse Gases when determining cost, benefit, or net present value of any integrated resource plan or project proposal;
- (3) Requiring the State to consider the estimated social cost of greenhouse gas emissions, rather than carbon, in planning new infrastructure and capital improvement projects and when designing and constructing new buildings;
- (4) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (5) 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. 191, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 191, 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



