

Honolulu, Hawaii

FEB 17 2023

RE: S.B. No. 839
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Energy, Economic Development, and Tourism,
to which was referred S.B. No. 839 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) Require the Public Utilities Commission to establish reliability standards and interconnection requirements for certain renewable energy projects; provided that any costs for changes in reliability standards or interconnection requirements shall not be the responsibility of the interconnection customer after the interconnection customer's power purchase agreement has been approved by the Public Utilities Commission;
- (2) Require the Public Utilities Commission to establish:
 - (A) The distinction between interconnection facilities and utility network upgrades;
 - (B) That the cost of interconnection facilities shall be the responsibility of the interconnection customer; and



- (C) That the cost of utility network upgrades shall be the sole responsibility of the transmission provider;
- (3) Establish a timeline and requirements for interconnection procedures to be established by the Public Utilities Commission for certain utility-scale renewable energy projects;
- (4) Require implementation of the Hawaii Electricity Reliability Administrator Law; and
- (5) Require the Public Utilities Commission to submit a report and assessment of the Hawaii Electric Reliability Administrator to the Legislature.

Your Committee received testimony in support of this measure from Hawaii Clean Power Alliance and one individual. Your Committee received testimony in opposition to this measure from the Hawaiian Electric Company, Inc.; Kaua'i Island Utility Cooperative; and one individual. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs, Public Utilities Commission, Hawaii Solar Energy Association, and Ulupono Initiative.

Your Committee finds that intention and urgency is needed to meet the State's ambitious renewable energy goals, bring financial relief to ratepayers, and reduce carbon emissions. Your Committee believes that establishing grid reliability standards, regulating the timely and transparent interconnection of utility-scale renewable energy projects, and distinguishing the cost responsibilities between interconnection facilities and utility network upgrades will help to achieve the State's renewable portfolio standards and decrease electricity rates for consumers. This measure will support the State's progress toward one hundred percent renewable energy and streamline the process to more quickly bring renewable energy generation facilities online.

Noting the testimony of the Public Utilities Commission, your Committee has amended this measure by:

- (1) Establishing the Hawaii Electricity Reliability Surcharge Special Fund and affiliated subaccount;




- (2) Deleting language that would have provided that any costs for changes in reliability standards or interconnection requirements shall not be the responsibility of the interconnection customer after the interconnection customer's power purchase agreement has been approved by the Public Utilities Commission;
- (3) Inserting language authorizing the Public Utilities Commission to determine the responsible party to bear any costs associated with any reliability standards or interconnection requirements;
- (4) Requiring the Hawaii electricity reliability administrator surcharge be established before the Public Utilities Commission is required to contract for a Hawaii electricity reliability administrator;
- (5) Imposing a Hawaii electricity reliability administrator surcharge on Hawaiian Electric customer bills to cover the complete cost of the Hawaii Electricity Reliability Administrator to be deposited into the subaccount;
- (6) Inserting an appropriation of \$100,000 to be deposited into the Hawaii electricity reliability surcharge special fund;
- (7) Amending section 1 to reflect its amended purpose; and
- (8) 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 Energy, Economic Development, and Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 839, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 839, 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 Energy, Economic
Development, and Tourism,


LYNN DECOITE, Chair



The Senate
Thirty-Second Legislature
State of Hawai'i

Record of Votes
Committee on Energy, Economic Development, and Tourism
EET

Bill / Resolution No.:* SB 839	Committee Referral: EET, CPN	Date: 2-14-23
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The Committee is reconsidering its previous decision on this measure.
If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312 Pass, with amendments 2311 Hold 2310 Recommit 2313

Members	Aye ✓	Aye (WR)	Nay	Excused
DECOITE, Lynn (C)	✓			
WAKAI, Glenn (VC)	✓			
FUKUNAGA, Carol				✓
KIM, Donna Mercado	✓			
FEVELLA, Kurt				✓
TOTAL	3	∅	∅	2

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature: _____
(Handwritten signature)

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***Only one measure per Record of Votes**