

Honolulu, Hawaii

APR 25 2025

RE: S.B. No. 589
S.D. 1
H.D. 3
C.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 589, S.D. 1, H.D. 3, entitled:

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

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) Establish a goal of installing fifty thousand new installations of customer-sited distributed energy resources by December 31, 2030;
- (2) Require the Public Utilities Commission to use tariffs for grid services programs, microgrids, and community-based renewable energy;
- (3) Require sufficient compensation for solar and energy storage exports to the electric grid;



- (4) Require the Public Utilities Commission to establish grid service compensation values;
- (5) Specify that persons who construct, maintain, or operate a new microgrid are not considered a public utility solely due to furnishing service to consumers through that new microgrid;
- (6) Authorize intragovernmental wheeling of renewable energy; and
- (7) Require the Public Utilities Commission to establish policies and procedures to implement intragovernmental wheeling and microgrid service tariffs.

Your Committee on Conference finds that the State's electric grid faces significant challenges, including aging fossil fuel dependent infrastructure, heightened risks from extreme climate-related weather events, and persistent utility management issues. Your Committee on Conference further finds that the State must invest in solutions, such as microgrids, community-based or shared renewable energy programs, and wheeling, to ensure grid stability and system resilience. The programs and policies supported by this measure will help the State meet its renewable energy goals by increasing access to affordable energy, stabilizing grid costs, and driving economic growth and job creation.

Your Committee on Conference has amended this measure by:

- (1) Requiring the Public Utilities Commission to establish a goal for new customer-sited distributed energy resources, to be installed in the State by December 31, 2030, rather than specifying a goal of fifty thousand new installations of customer-sited distributed energy resources by December 31, 2030;
- (2) Requiring that the Public Utilities Commission establish, rather than use, tariffs to achieve the installation goal and for grid services programs, microgrids, and community-based renewable energy;
- (3) Specifying that the type of wheeling authorized and implemented by this measure is the wheeling of renewable energy, rather than intragovernmental wheeling and requiring the Public Utilities Commission to establish



policies and procedures to implement wheeling and microgrid service tariffs no later than January 1, 2027; provided that any wheeling project eligible under the rule or order shall have a capacity of not less than one hundred kilowatts alternating current and not more than two megawatts alternating current;

- (4) Deleting the definitions for "intragovernmental wheeling" and "retail wheeling";
- (5) Defining "wheeling" as the transmission of renewable electric power from a storage or energy generation system through the utility meter for consumption by a separate utility account holder;
- (6) Amending section 1 to reflect its amended purpose;
- (7) Making it effective upon its approval; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 589, S.D. 1, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 589, S.D. 1, H.D. 3, C.D. 1.



Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

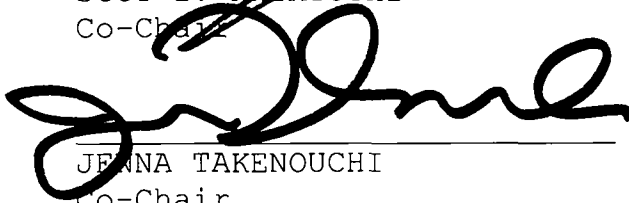
ON THE PART OF THE SENATE



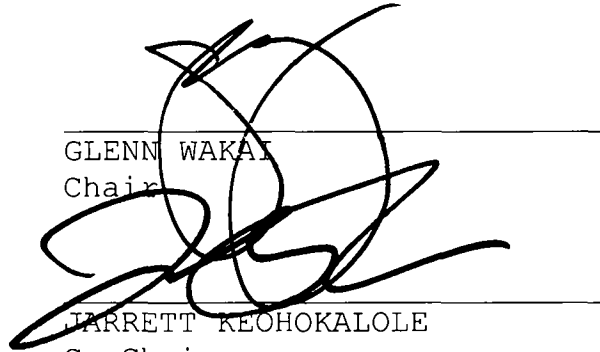
NICOLE E. LOWEN
Co-Chair



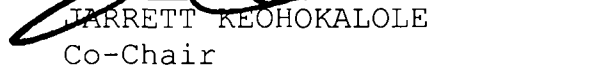
SCOT Z. MATAYOSHI
Co-Chair



JENNA TAKENOUCHI
Co-Chair



GLENN WAKAI
Chair



JARRETT KEOHOKALOLE
Co-Chair



CHRIS LEE
Co-Chair



Hawai'i State Legislature

Record of Votes of a Conference Committee

CCR 191

Bill / Concurrent Resolution No.: SB 589, SD 1, HD 3					Date/Time: 4/25/25 6:25 pm				
<input checked="" type="checkbox"/> The recommendation of the House and Senate managers is to pass with amendments (CD).									
<input type="checkbox"/> The Committee is reconsidering its previous decision.									
<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.				
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
WAKAI, Glenn, Chr.	✓	✓			LOWEN, Nicole E., Co-Chr.	✓			
KEOHOKALOLE, Jarrett, Co-Chr.	✓	✓			MATAYOSHI, Scot Z., Co-Chr.	✓			✓
LEE, Chris, Co-Chr.	✓				TAKENOUCHI, Jenna, Co-Chr.	✓			
FEVELLA, Kurt				✓	PERRUSO, Amy A.	✓			
					PIERICK, Elijah				✓
TOTAL	3	0	0	1	TOTAL	3	0	0	2
A = Aye		WR = Aye with Reservations			N = Nay		E = Excused		
Senate Recommendation is:					House Recommendation is:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted					<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Senate Lead Chair's or Designee's Signature:					House Lead Chair's or Designee's Signature:				
Distribution: <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> Original <i>File with Conference Committee Report</i> </div> <div style="text-align: center;"> Yellow <i>House Clerk's Office</i> </div> <div style="text-align: center;"> Pink <i>Senate Clerk's Office</i> </div> <div style="text-align: center;"> Goldenrod <i>Drafting Agency</i> </div> </div>									