STAND. COM. REP. NO. 213

Honolulu, Hawaii

FEB 1 1 2025

RE: S.B. No. 202 S.D. 1

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

Sir:

Your Committee on Energy and Intergovernmental Affairs, to which was referred S.B. No. 202 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 require electric utilities to compensate consumer-generators for excess electricity credits.

Your Committee received testimony in support of this measure from the Green Party of Hawaii, Recycle Hawaii, Clean the Pacific, Kauai Climate Action Coalition, Environmental Caucus of the Democratic Party of Hawaii, Life of the Land, 350Hawaii.org, GreenPeace Hawaii, and thirty-one individuals.

Your Committee received testimony in opposition to this measure from Hawaiian Electric and Kaua'i Island Utility Cooperative.

Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs, Public Utilities Commission, and one individual.

Your Committee finds that incentivizing renewable energy generation can contribute greatly to the State's energy goals. This measure not only encourages consumers to install distributed

renewable energy resources, such as rooftop solar systems, but also to conserve the renewable energy produced. Your Committee has heard concerns that compensating eligible customer-generators at the retail rate class to which the customer is normally assigned could result in higher utility costs for customers without a distributed renewable energy system. Your Committee notes that as customer-generators continue to be compensated, the remainder of the grid costs are be paid by customers who do not generate renewable energy, many of whom are renters, live on fixed income, or cannot afford the upfront investment of installing a rooftop solar system. Amendments are therefore necessary to address this potential inequity.

Accordingly, your Committee has amended this measure by:

- Requiring the compensation owed to an eligible customer-generator to be calculated at a rate to be established by the Public Utilities Commission, rather than at the retail rate class to which the customer is normally assigned;
- (2) Inserting language to exempt member-owned cooperative electric utilities from the provisions of this measure; 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 Energy and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 202, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 202, 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 and Intergovernmental Affairs,

GLENN/ WAKAI

The Senate Thirty-Third Legislature State of Hawai'i

Record of Votes Committee on Energy and Intergovernmental Affairs EIG

Bill / Resolution No.:*	Committee Referral:			Date:	
SB202	EIG, CPN			2/4/25	
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)) Nay	Excused
WAKAI, Glenn (C)		1			
CHANG, Stanley (VC)		V			
DECOITE, Lynn		V			
RICHARDS, III, Herbert M. "Tin	m"	/			
FEVELLA, Kurt		V			
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TOTAL		5			
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original File with Committee Re	Yellow port Clerk's Office		Pink Drafting Agend	Goldenrod ncy Committee File Copy	

^{*}Only one Governor's Message per Record of Votes