



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Higher Education
February 16, 2017 at 2:04 p.m.

By
Kalbert Young
Vice President for Budget and Finance/Chief Financial Officer
University of Hawai'i System

HB 848 HD1 – RELATING TO ENERGY MODERNIZATION AT THE UNIVERSITY OF HAWAII SYSTEM

Chair Woodson, Vice Chair Hashem and members of the committee:

The University of Hawai'i ("University") supports the original version of HB 848, Relating to Energy Modernization at the University of Hawaii, but has concerns and comments on the HD1 version.

The original purpose of this Act was to encourage and facilitate the development and use of microgrids at the various campuses and facilities operated by the University of Hawai'i in such a manner as to expand access to locally generated renewable energy and advanced distributed energy resources, and to promote the efficient distribution of electricity to the State's residents and businesses. To this end, the measure seeks PUC oversight and authority over micro-grid related rates and charges that the electric utility may charge the University.

HB 848 HD1 compromises and wholly changes the intent of the original version of HB 848, with specific regard to PUC oversight and authority. HD1 attempts to clarify that the electric utility can assess rates and charges to a public higher education institution without PUC oversight and authority. This has the potential to effectively eliminate any economic benefit to the University for establishing or developing any microgrids across its campuses and properties.

In order to achieve our Net Zero Energy mandate (Act 99, Session Laws of Hawaii 2015), the university will need to develop large-scale renewable energy projects that will benefit our students and the communities we serve, can help to increase the macro electric system grid's stability & resilience, and support the State in achieving its goal of 100% clean energy by 2045.

The original HB 848 will encourage the facilitation, development and use of microgrids and renewable energy across the University System, as well as increase the options available to develop collaborative solutions to finance and develop large-scale renewable energy projects.

It also establishes initial parameters on the microgrid size and distance from the power source, striking a balance between the University's need to use renewable energy to help achieve net-zero energy and an allowable use of the electric utility's facilities. The amendments of HD1, however, discourages these investments by the University.

Thank you for the opportunity to testify in support of the original version of HB 848 and express concerns and comments on the HD1 version.