



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Consumer Protection and Commerce
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HB 550 HD1 – RELATING TO REWEWABLE ENERGY

Chair Takumi, Vice Chair Ichiyama and members of the committee:

The Hawai'i Natural Energy Institute (HNEI) supports the intent of this bill and provides the following comments.

Section 2 of this bill would require the Public Utilities Commission to contract with HNEI to conduct studies to determine the feasibility and capability of Hawai'i's gas utility companies to achieve renewable portfolio standards in a cost-effective manner. HNEI has conducted similar RPS studies in the past and supports conducting a study to assess the feasibility of adding RPS requirements for Hawai'i's gas utilities, but suggests limiting the scope of the study to the issues directly relevant to achieving an RPS.

HNEI suggests that relevant analysis to inform the Legislature on how robustly Hawai'i's gas utility companies are able to achieve an RPS in a cost-effective manner might address: utility system reliability and stability; costs and availability of appropriate renewable energy resources and technologies with impacts on how an RPS might impact energy prices offered by renewable energy developers; permitting approvals; cost of fossil fuel volatility; and technical feasibility of establishing renewable portfolio standards for gas utility companies in Hawai'i. Other issues could be addressed pending information and resources to do so.

HNEI also agrees that the electric utility RPS definition should be changed to include all grid connected generation, not just sales, in the calculation to accurately reflect the relative amount of renewable energy to total electricity generation. We believe this change is necessary to eliminate confusion in regard to progress against the RPS goals and to maintain public confidence in the RPS.

Section 3 of the bill increases the electric utility renewable portfolio standard interim goals for 2030 and 2040 to 65% and 85%, respectively. The previous version of the bill also specifically amended the definition of "renewable portfolio standard", in HRS

section 269-91, to mean the percentage of renewable electrical energy generated compared to the total electrical energy generated. We recommend that this definition be added back to eliminate any potential confusion whether the RPS percentage requirements are based on sales, generation or some other undefined metric”.

HNEI supports accelerating Hawai‘i’s RPS targets to levels that are technically and economically feasible. However, HNEI notes that basing the percentage targets on all grid connected generation rather than sales, thus more accurately accounting for the contribution of distributed PV, would increase the amount of renewable generation necessary to meet the current 2030 target by approximately 10% over the current statutory RPS language. On O‘ahu for example, this definition would require more than a doubling of grid connected PV, relative to 2018, to meet the 2030 goals. Issues of land availability and use, reliability, and technical siting issues (e.g. transmission constraints) may be challenges at these levels. In light of these facts, we suggest that it may be prudent to further study the impacts of accelerating the targets before doing so.

Thank you for the opportunity to comment on HB 550 HD1.