



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance
Friday, February 22, 2019 at 11:00 a.m.

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HB 550 HD1 – RELATING TO REWEWABLE ENERGY

Chair Luke, Vice Chair Cullen 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 supports conducting such a study but strongly suggests limiting the scope of the study to those issues directly relevant to achieving an RPS such as:

- costs and availability of appropriate renewable gas feedstock sources;
- technical feasibility, cost and carbon impacts for those potential resources identified by the study;
- permitting approvals; and
- customer impacts.

Other issues could be addressed pending information and resources to do so.

HNEI also strongly agrees that the electric utility RPS definition should be based on grid connected generation, instead of sales. This new definition would more accurately reflect the relative amount of renewable energy in the system. We believe this change is necessary to also eliminate confusion in regard to progress against the RPS goals and to maintain public confidence in the RPS.

The initial version of this bill specifically amended the definition of “renewable portfolio standard”, in HRS section 269-91, to mean the amount of renewable electrical energy generated compared to the total electrical energy generated. The current draft of the bill does not contain this amended definition. We recommend that this definition be clarified to eliminate vagueness and any potential confusion.

Section 3 of the bill increases the electric utility renewable portfolio standard interim goals for 2030 and 2040 to 65% and 85%, respectively. HNEI supports accelerating Hawai'i's RPS targets to levels that are technically and economically feasible. However, HNEI would like to point out that just changing the definition of RPS, as discussed above, would increase the amount of renewable generation necessary to meet the current 2030 target by a significant, but currently undetermined amount. In light of this, and the substantial effort put forth to develop the utility's Power Supply Improvement Plans, HNEI recommends adopting the new definition this year, and tabling consideration of changing the RPS interim goals until next year.

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