



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Energy, Economic Development, and Tourism
Monday, March 11, 2019 at 2:45 p.m.

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HB 550 HD1 – RELATING TO REWEWABLE ENERGY

Chair Wakai, Vice Chair Taniguchi 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 RPS studies in the past and supports a study to assess the feasibility of adding RPS requirements for Hawai'i's gas utilities. Issues such as availability of resources for production of renewable gas and cost of appropriately scaled conversion technology are likely to have significant impact on the ability the gas utility to meet RPS goals, thus we suggest that whoever is selected, conduct this study work closely with the HPUC to limit the scope of the study to those issues directly relevant to achieving an RPS.

HNEI supports changing the electric utility RPS definition to be based on all grid connected generation, and not on utility sales. A change in the calculation of percent renewable energy is necessary to accurately reflect the relative amount of renewable energy on the grid and the concomitant reduction in fossil fuel use. We believe this change will eliminate confusion in regard to progress against the RPS goals and help maintain public confidence in the RPS.

We note that the initial version of this bill 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. This version of the bill does not include that amendment. We recommend that amended definition be added back to the bill to eliminate any potential confusion whether the RPS percentage requirements are based on sales, generation or some other undefined metric.

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 notes that changing the definition of "renewable portfolio standard," as noted above, would significantly increase the amount of renewable generation necessary to meet the current 2030 target compared to the current statutory RPS language. Given the likely challenges related to land availability and use, reliability, and technical siting issues (e.g. transmission constraints) at these higher variable renewable energy penetrations, we suggest that it may be prudent to further study the impacts of accelerating the interim targets before doing so.

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