

STAND. COM. REP. NO. 551 -08

Honolulu, Hawaii

FEB 15, 2008

RE: H.B. No. 2863

H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which
was referred H.B. No. 2863, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY,"

begs leave to report as follows:

The purpose of this bill is to establish a renewable energy
facility siting process to expedite the review of state and county
permits necessary for siting, development, construction, and
operation of renewable energy facilities.

Specifically, the measure requires the Director of Business,
Economic Development, and Tourism, as the Energy Resources
Coordinator to establish a consolidated application process,
administer the siting process, and determine permit terms and
conditions. The coordinator also approves permits that encompass
a number of zoning and permitting functions of state and county
regulatory authorities for facilities that have the capacity to
produce at least two hundred megawatts of electricity from
renewable energy. In addition, the measure requires the Public
Utilities Commission to act on rate agreements for non-fossil fuel
generated electricity between a renewable energy facility owner
and a public utility within thirty days.

Testimony in support of this measure was received by the
Department of Business, Economic Development, and Tourism and
Castle and Cooke Hawaii. Testimony in opposition to this measure
was submitted by the Department of Planning and Permitting of the

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City and County of Honolulu and the Sierra Club. Comments on this measure were submitted by the Public Utilities Commission and the Kauai County Department of Planning.

Your Committee acknowledges the referring committees' concerns that this measure may:

- (1) Present conflicts with the delegation of certain environmental permitting authority from the United States Environmental Protection Agency to the Department of Health, and that adoption of this measure may require significant changes to state laws and rules if that authority is assigned to the Department of Business, Economic Development, and Tourism;
- (2) Unnecessarily override existing controls at the county level over the siting of renewable energy facilities and diminish the roles of communities and local authorities in establishing their own planning and land use policies; and
- (3) Place unrealistic time constraints on the Public Utilities Commission for the review and analysis of rate agreements.

Upon further consideration, however, your Committee finds that there is a critical need to increase the use of renewable energy in order to reduce the State's dependence on imported fossil fuels for energy generation. Your Committee further finds that the complexity and delays of the existing permitting processes for siting renewable energy facilities have been an impediment to the development and widespread use of renewable energy in the State. Accordingly, your Committee believes that streamlining and expediting this process will result in increased development and use of renewable energy resources.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2863, H.D. 1, and recommends that it be referred to the Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ROBERT N. HERKES, Chair



