

HAWAII STATE ENERGY OFFICE STATE OF HAWAII

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Testimony of SCOTT J. GLENN, Chief Energy Officer

before the SENATE COMMITTEE ON COMMERCE & CONSUMER PROTECTION

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SUPPORT SB 3057, SD1 RELATING TO RENEWABLE PORTFOLIO STANDARDS.

Chair Baker, Vice Chair Chang, and Members of the Committee, the Hawai'i State Energy Office (HSEO) strongly supports SB 3057, SD1, an Administration measure, which amends the definition of renewable portfolio standard to be a percentage of electrical energy generation, rather than sales, and requires electric utility companies to track and annually report data and trends on customer retention and attrition to further inform the calculation of renewable portfolio standards.

It has been generally understood for several years that the calculation should and must change to be consistent with public understanding, Hawai'i's policies (including the enactment in 2018 of Hawai'i's carbon net negative goal),¹ and increasing concerns over continued reliance on imported fossil fuels.

By making this change now, just after completing the 2020 milestone and several years in advance of the 2030 milestone, it gives a greater degree of clarity and certainty to Hawai'i's electric utilities, as well as to the public, regarding Hawai'i's "100% renewable" objective.

It is important that we make this change at this time. As noted in the bill, it would be possible to reach the "100 per cent renewable portfolio standard" (with the current

¹ <u>Section 225P-5, Hawai'i Revised Statutes</u>.

definition, based on sales) with only 79 per cent of Hawai'i's electricity produced from renewable sources and the other 21 per cent still generated from fossil fuel.

When the original version of the renewable portfolio standards law was enacted, over twenty years ago, there were several competing objectives that led to the bill language as it exists today, in which a formula is used to calculate the renewable energy percentage in a way that does not accurately capture the amount of renewable energy on the system and allows for greater use of fossil fuels. HSEO believes that the more intuitively correct approach to the RPS calculation, in addition to numerous policies, incentives, requirements, and other constraints, will together accelerate the reduction in the use of fossil fuels to generate electricity in Hawai'i.

The Companion bill to this measure, HB2089, HD1, contains additional language pertaining to non-renewable customer sited generation; HSEO concurs with those clarifying revisions.

I thank the Committee for hearing this bill and respectfully request your approval of it. Thank you for the opportunity to testify.