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Testimony of
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before the
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

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3:00 PM
State Capitol, Conference Room 224 & Videoconference

**SUPPORT
HB 2089, HD1
RELATING TO RENEWABLE PORTFOLIO STANDARDS.**

Chair Wakai, Vice Chair Misalucha, and Members of the Committee, the Hawai'i State Energy Office (HSEO) strongly supports HB 2089, HD1, an Administration measure, which amends the definition of "renewable portfolio standard" to be a percentage of electrical energy generation, rather than sales. It clarifies that customer-sited fossil fuel generation is beyond an electric utility company's reasonable control.

HSEO finds that HD1 acknowledges the importance of activities and policies beyond those of the utility, while clarifying and increasing the statutory renewable energy requirements applicable to Hawai'i's electric utilities after 2030.

Importantly, the bill allows the law's existing provisions for necessary adjustment by the Public Utilities Commission, including adjustments of requirements, and penalties and incentives, to remain in place.

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.

Making this change now, just after completing the 2020 milestone and several years in advance of the 2030 milestone, gives a greater degree of clarity and certainty

¹ [Section 225P-5, Hawai'i Revised Statutes.](#)

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 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.

I thank the Committee for hearing this bill and respectfully request your approval of it.

Thank you for the opportunity to testify.