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SB 711

RELATING TO NET ENERGY METERING

Senate Committee on Economic Development

Public Hearing, February 1, 1999
1:30 p.m., Room 224, State Capitol

by

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SB 711 would amend Sections 269-1 and 269-16.21, HRS, to increase allowable capacity of customer-generators to 3% of peak demand, to limit charges that may be imposed, and to specify more detailed requirements for making net energy metering calculation.

Our statement on this measure is compiled from voluntarily submitted opinions of the listed reviewers and does not constitute an institutional position of the University of Hawaii.

Although energy costs presently are globally depressed, a growing body of informed, dispassionate experts warn that a dramatic increase in oil prices due to simple economics of supply and demand is just around the corner. What will be the effect of such an increase on Hawaii's fragile, tourist-dependent economy? How will that economy fare when airfares double and then double again? A transition to technologies independent of petroleum-derived energy already is underway, for both economic and environmental reasons. As with all technological revolutions, this transition is being driven both by emerging ideas and market forces.

With an abundance of renewable energy resources, Hawaii has the opportunity to be the premier example of energy sustainability for the entire world, enjoying all the accolades, economic dividends, and cost savings that would accrue accordingly. The technology to achieve energy independence for Hawaii already exists, with renewable energy conversion facilities designed both for decentralized residential as well as

centralized grid system components. All that is lacking is a general awareness of the imminence of the coming energy crisis, and the resultant political will to prepare for it.

Net metering support promotes implementation of decentralized energy conversion, which both lessens the grid load and conveys growing energy independence. Any reasonable means to achieve this goal is desirable. While objection to the articulation of State policy along these lines will be understandable, especially coming from a regulated utility monopoly, the question that must be asked is, can we afford any delay in weaning ourselves from a petroleum energy base that will cost us dearly in years to come.

SB 205 is the more aggressive of the two net metering bills being heard today, although it is also restricted to solar installations rather than extending to wind and hydro facilities as does both existing law and SB 711. It also is more specific concerning safety requirements applicable to interconnections between systems employed by customer-generators and the utility. A combination of these two pieces of legislation, incorporating features which promote the most expansive and safe implementation of net energy metering as State policy would be a positive, constructive, and far-reaching step towards energy self-sufficiency for Hawaii.