



**SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION**

February 14, 2013, 9:00 A.M.

Room 229

**(Testimony is 1 page long)**

**TESTIMONY IN OPPOSITION TO SB 1045**

Chair Baker and members of the Commerce and Consumer Protection Committee:

The Blue Planet Foundation respectfully opposes SB 1045, providing the Public Utilities Commission (PUC) the ability to exempt an electric cooperative from Commission oversight and electric utility statutes, including Hawaii's renewable portfolio standards, energy efficiency portfolio standards, net energy metering, electricity reliability standards, solar water heater standards, and other policies guiding energy production and delivery.

Blue Planet fully recognizes the benefits of a cooperative ownership model for an electric utility. We applaud Kauai Island Utility Cooperative's (KIUC) efforts to aggressively add renewable energy to Kauai and modernize their utility grid. We believe that KIUC will continue these efforts.

In some areas, however, it is clear that state utility policy benefits customers, regardless of the utility organization type. For example, in one of the few areas where KIUC was exempted by the PUC from HRS 269—energy efficiency via the Public Benefit Fee Administrator (PBFA)—KIUC is currently lagging. On a per customer basis, electricity consumption has been declining more slowly on Kauai over the past six years than on all other islands that the PUC choose to include in the PBFA program. It is likely that this wouldn't be the case if the PUC included KIUC in the PBFA efficiency program.

Blue Planet also supports reducing any unnecessary regulatory burden on the KIUC, particularly those PUC dockets where the KIUC is a party by default but their participation is not required. But utility policies regarding clean energy should apply to all utilities in Hawaii. ***At a minimum, Blue Planet respectfully asks that SB 1045 be amended to require that electric cooperatives comply with all state statutes regarding renewable energy, energy efficiency, and reliability standards and interconnection.***

Thank you for this opportunity to testify.