



EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

July 16, 2009

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fifth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

Re: House Bill No. 591 HD1 SD2

On July 15, 2009, House Bill No. 591, entitled "A Bill for an Act Relating to Public Utilities" became law without my signature, pursuant to Section 16 of Article III of the State Constitution.

The purpose of this bill is to allow the Public Utilities Commission to establish preferential rates for renewable energy produced in conjunction with agricultural activities.

This measure is intended to provide an incentive to both agricultural and renewable energy producers by providing better rates to agricultural energy producers selling electricity to utilities. While the Lingle-Aiona Administration supports local agricultural production and the goal to increase renewable energy, this bill could result in shifting of the costs of electricity onto consumers to compensate for the preferential rates given to agricultural operations. I am concerned that this cost shifting could adversely impact the bulk of electrical users in the State.

Moreover, the phrase "renewable energy produced in conjunction with agricultural activities" lacks clarity as to what constitutes a sufficient relationship between energy production and agricultural activities. It would be unfortunate if non-agricultural producers are able to take advantage of the vague wording in this measure to establish preferential rates intended to support agricultural operations.

For the foregoing reasons, I allowed House Bill No. 591 to become law as Act 185, effective July 15, 2009, without my signature.

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle".

LINDA LINGLE