
A BILL FOR AN ACT

RELATING TO ENERGY TARIFFS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that time-of-use rates
2 are a beneficial tool for both providing customers with
3 opportunities to save on their utility bills and for
4 incentivizing electric use patterns that maximize the
5 consumption of renewable energy during low-demand daytime hours.
6 Peak hours of energy consumption are typically in the evenings,
7 when renewable resources are lowest, and fossil fuels are used
8 to generate power. Customers who have grid-tied systems with
9 battery backup at their homes can provide renewable power back
10 to the grid during peak hours, if the amount of energy that they
11 have stored is greater than the amount that they consume during
12 those hours. These systems provide a benefit to all ratepayers.
13 The legislature further finds that when customers have extra
14 stored renewable energy during peak hours that can be exported,
15 a time-of-use tariff should include a credit for any net export
16 of energy during peak hours. This will ensure fair compensation
17 to the customer and also create an incentive for more investment



1 in storage for distributed energy, which will move Hawaii closer
2 to achieving its clean energy goals.

3 The purpose of this Act is to require electric utilities
4 that use a time-of-use feature in their rate structure to
5 include a credit to the eligible customer-generator for any net
6 electricity produced during peak hours of usage.

7 SECTION 2. Section 269-102, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "§269-102 Standard contract or tariff; rate structure.

10 (a) Every electric utility shall develop a standard contract or
11 tariff providing for net energy metering and shall make this
12 contract available to eligible customer-generators, upon
13 request, on a first-come-first-served basis until the time that
14 the total rated generating capacity produced by eligible
15 customer-generators equals .5 per cent of the electric utility's
16 system peak demand; provided that the public utilities
17 commission may modify, by rule or order, the total rated
18 generating capacity produced by eligible customer-generators;
19 provided further that the public utilities commission shall
20 ensure that a percentage of the total rated generating capacity
21 produced by eligible customer-generators shall be reserved for



1 electricity produced by eligible residential or small commercial
2 customer-generators. The public utilities commission may
3 define, by rule or order, the maximum capacity for eligible
4 residential or small commercial customer-generators.

5 Notwithstanding the generating capacity requirements of this
6 subsection, the public utilities commission may evaluate, on an
7 island-by-island basis, the applicability of the generating
8 capacity requirements of this subsection and, in its discretion,
9 may exempt an island or a utility grid system from the
10 generating capacity requirements.

11 (b) Each net energy metering contract or tariff shall be
12 identical, with respect to rate structure, to the contract or
13 tariff to which the same customer would be assigned if the
14 customer was not an eligible customer-generator. The charges
15 for all retail rate components for eligible customer-generators
16 shall be based exclusively on the eligible customer-generator's
17 net kilowatt-hour consumption over a monthly billing period.
18 Any new or additional demand charge, standby charge, customer
19 charge, minimum monthly charge, interconnection charge, or other
20 charge that would increase an eligible customer-generator's
21 costs beyond those of other customers in the rate class to which



1 the eligible customer-generator would otherwise be assigned are
2 contrary to the intent of this section, and shall not form a
3 part of net energy metering contracts or tariffs.

4 (c) If any electric utility uses a time-of-use feature in
5 its rate structure, then that rate structure shall include a
6 credit to the eligible customer-generator for any net
7 electricity produced during peak hours of usage, as determined
8 by the public utilities commission. The public utilities
9 commission shall effectuate the intent of this section.

10 [~~e~~] (d) The public utilities commission may amend the
11 rate structure or standard contract or tariff by rule or order."

12 SECTION 3. This Act does not affect rights and duties that
13 matured, penalties that were incurred, and proceedings that were
14 begun before its effective date.

15 SECTION 4. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 5. This Act shall take effect upon its approval.



Report Title:

Electric Utilities; Time-of-Use Features; Net Electricity

Description:

Requires electric utilities that use a time-of-use feature in its rate structure to include a credit to the eligible customer-generator for any net electricity produced during peak hours of usage. (HB1730 HD1)

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