
A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY.

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

1 SECTION 1. The purpose of this Act is to amend the
2 definition of renewable portfolio standard to more accurately
3 reflect the percentage of renewable energy penetration in the
4 State. This amendment is being done in line with Act 97,
5 Session Laws of Hawaii 2015, which established a 100 per cent
6 renewable portfolio standard goal by 2045 and the statutory
7 intent to transition the State away from imported fuels and
8 toward renewable local resources that provide a secure source of
9 affordable energy. This is accomplished by amending the
10 renewable portfolio standard calculation to be based on
11 electrical energy generation as opposed to electrical energy
12 sales. Failure to address this accounting error means that the
13 current renewable portfolio standard calculation (renewable
14 energy divided by total electricity sales) would overestimate
15 the amount of renewable energy serving Hawaii's electric utility
16 customers. There are two fundamental issues that lead to the
17 current discrepancy: (1) the current renewable portfolio



1 standard calculation inflates the reported percentage of
2 renewable energy by excluding renewables from customer-sited,
3 grid-connected renewable energy generation in the denominator,
4 which becomes material with higher levels of customer-sited,
5 grid-connected renewable energy generation and higher renewable
6 portfolio standard percentages; and (2) the current electrical
7 energy sales number does not include energy losses that occur
8 between the points of electrical energy generation and the
9 customer meter where sales are measured. Failure to address
10 these issues would create the incorrect public perception of the
11 State's progress towards its one hundred per cent renewable
12 energy statutory goal.

13 SECTION 2. Section 269-91, Hawaii Revised Statutes, is
14 amended by:

15 1. Adding a new definition of "grid-connected" to read as
16 follows:

17 "Grid-connected" means interconnected to the Hawaii
18 electric system under an existing standard or rule approved by
19 the public utilities commission; provided that this will not
20 apply where the generation is used exclusively for emergency
21 service in case of failure of the normal supply from the Hawaii



1 electric system. As used in this definition, "interconnection"
2 and "Hawaii electric system" have the same meaning as in section
3 269-141."

4 2. Amending the definition of "renewable portfolio
5 standard" to read as follows:

6 "Renewable portfolio standard" means the percentage of
7 ~~[electrical energy sales that is represented by renewable~~
8 ~~electrical energy.]~~ total renewable electrical energy generated
9 from grid-connected renewable energy systems to the total
10 electrical energy generated from grid-connected energy systems;
11 provided that "renewable energy system" has the same meaning as
12 that term is defined in section 269-1."

13 SECTION 3. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.



Report Title:

Renewable Portfolio Standard; Definition

Description:

Amends the "renewable portfolio standard" definition to more accurately reflect the amount of renewable energy generation in Hawaii by amending the renewable portfolio standard calculation to be based on total renewable electrical energy generated from grid-connected renewable energy systems to the total electrical energy generated from grid-connected energy systems. (HB2291 HD1)

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