



GOV. MSG. NO. 792

EXECUTIVE CHAMBERS  
HONOLULU

LINDA LINGLE  
GOVERNOR

June 6, 2008

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

Dear Madam President and Members of the Senate:

This is to inform you that on June 6, 2008, the following bill was signed into law:

HB2550 HD2 SD2 CD1

A BILL FOR AN ACT RELATING TO PUBLIC  
UTILITIES.  
(ACT 150)

Sincerely,

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

LINDA LINGLE

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# A BILL FOR AN ACT

RELATING TO PUBLIC UTILITIES.

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

1           SECTION 1. The legislature finds that Hawaii is especially  
2 vulnerable to the volatility in global oil markets. In November  
3 2007, oil prices reached \$100 per barrel. Electric utilities  
4 will shift these high fuel costs to electric utility consumers  
5 in the form of higher electric utility rates. For example,  
6 residential electric rates on Kauai could reach as high as 50  
7 cents per kilowatt hour.

8           The legislature finds that net energy metering may  
9 encourage more customers to seek to become eligible customer-  
10 generators to take advantage of the month-to-month carryover of  
11 unused credits associated with the production of excess  
12 customer-generated electricity. Furthermore, the legislature  
13 finds that amending the net energy metering statute will signal  
14 to the public that the legislature intends that electricity  
15 generated by residential and small commercial customer-  
16 generators should play a significant role in the State's net  
17 energy metering effort.



1           The purpose of this Act is to enhance Hawaii's net energy  
2 metering statute by providing that every electric utility shall  
3 reserve a portion of the utility's net energy metering component  
4 for electricity generated by eligible residential and small  
5 commercial customer-generators. The legislature intends that  
6 the reserved portion of the utility's net energy metering  
7 component shall be of a percentage sufficient to encourage  
8 residential and small commercial customer-generators to adopt  
9 renewable energy technologies that are eligible under Hawaii's  
10 net energy metering statute.

11           SECTION 2. Section 269-102, Hawaii Revised Statutes, is  
12 amended by amending subsection (a) to read as follows:

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



1 utility's system peak demand.]; provided further that the public  
2 utilities commission shall ensure that a percentage of the total  
3 rated generating capacity produced by eligible customer-  
4 generators shall be reserved for electricity produced by  
5 eligible residential or small commercial customer-generators.  
6 The public utilities commission may define, by rule or order,  
7 the maximum capacity for eligible residential or small  
8 commercial customer-generators. Notwithstanding the generating  
9 capacity requirements of this subsection, the public utilities  
10 commission may evaluate, on an island-by-island basis, the  
11 applicability of the generating capacity requirements of this  
12 subsection and, in its discretion, may exempt an island or a  
13 utility grid system from the generating capacity requirements."

14 SECTION 3. The public utilities commission shall submit a  
15 report to the legislature of the following, if available:

16 (1) Any rules, decisions, or orders submitted by the  
17 public utilities commission regarding the total rated  
18 generating capacity produced by eligible customer-  
19 generators;

20 (2) Any rules, decisions, or orders submitted by the  
21 public utilities commission regarding the maximum



1 capacity for eligible residential or small commercial  
2 customer-generators; and

3 (3) Any results regarding the public utilities  
4 commission's evaluation of the applicability of the  
5 generating capacity requirements on an island-by-  
6 island basis, and any decisions to exempt an island or  
7 a utility grid system from the generating capacity  
8 requirements.

9 The report shall also include any recommendations or proposed  
10 legislation, and be submitted no later than twenty days prior to  
11 the convening of the 2009 regular session.

12 SECTION 4. Statutory material to be repealed is bracketed  
13 and stricken. New statutory material is underscored.

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

APPROVED this 6 day of JUN, 2008



GOVERNOR OF THE STATE OF HAWAII

