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,

LINDA LINGLE
A BILL FOR AN ACT

RELATING TO PUBLIC UTILITIES.

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

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

The legislature finds that net energy metering may encourage more customers to seek to become eligible customer-generators to take advantage of the month-to-month carryover of unused credits associated with the production of excess customer-generated electricity. Furthermore, the legislature finds that amending the net energy metering statute will signal to the public that the legislature intends that electricity generated by residential and small commercial customer-generators should play a significant role in the State's net energy metering effort.
The purpose of this Act is to enhance Hawaii's net energy
metering statute by providing that every electric utility shall
reserve a portion of the utility's net energy metering component
for electricity generated by eligible residential and small
commercial customer-generators. The legislature intends that
the reserved portion of the utility's net energy metering
component shall be of a percentage sufficient to encourage
residential and small commercial customer-generators to adopt
renewable energy technologies that are eligible under Hawaii's
net energy metering statute.

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

"(a) Every electric utility shall develop a standard
contract or tariff providing for net energy metering and shall
make this contract available to eligible customer-generators,
upon request, on a first-come-first-served basis until the time
that the total rated generating capacity produced by eligible
customer-generators equals .5 per cent of the electric utility's
system peak demand; provided that the public utilities
commission may [increase,] modify, by rule or order, the total
rated generating capacity produced by eligible customer-
generators [to an amount above .5 per cent of the electric
provided further that the public utilities commission shall ensure that a percentage of the total rated generating capacity produced by eligible customer-generators shall be reserved for electricity produced by eligible residential or small commercial customer-generators. The public utilities commission may define, by rule or order, the maximum capacity for eligible residential or small commercial customer-generators. Notwithstanding the generating capacity requirements of this subsection, the public utilities commission may evaluate, on an island-by-island basis, the applicability of the generating capacity requirements of this subsection and, in its discretion, may exempt an island or a utility grid system from the generating capacity requirements."

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

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

(2) Any rules, decisions, or orders submitted by the public utilities commission regarding the maximum
capacity for eligible residential or small commercial
customer-generators; and

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

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

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

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

APPROVED this 6 day of JUN, 2008

GOVERNOR OF THE STATE OF HAWAII