

JAN 21 2011

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# A BILL FOR AN ACT

RELATING TO THE PUBLIC UTILITIES COMMISSION.

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

1           SECTION 1. The legislature finds that transparency in the  
2 process of purchasing renewable electricity generated from  
3 nonfossil fuel sources serves the interests of independent power  
4 producers who compete to sell energy to the energy utilities and  
5 of the rate-paying public by creating an opportunity for review  
6 and oversight of the public utilities commission's decision-  
7 making process.

8           The purpose of this Act is to increase transparency in  
9 power purchase contracts for renewable energy by requiring the  
10 public utilities commission to publish power purchase contracts,  
11 in their entirety, on the its website.

12           SECTION 2. Section 269-27.2, Hawaii Revised Statutes, is  
13 amended by amending subsection (c) to read as follows:

14           "(c) The rate payable by the public utility to the  
15 producer for the nonfossil fuel generated electricity supplied  
16 to the public utility shall be as agreed between the public  
17 utility and the supplier and as approved by the public utilities  
18 commission; provided that in the event the public utility and



1 the supplier fail to reach an agreement for a rate, the rate  
2 shall be as prescribed by the public utilities commission  
3 according to the powers and procedures provided in this chapter.

4 The commission's determination of the just and reasonable  
5 rate shall be accomplished by establishing a methodology that  
6 removes or significantly reduces any linkage between the price  
7 of fossil fuels and the rate for the nonfossil fuel generated  
8 electricity to potentially enable utility customers to share in  
9 the benefits of fuel cost savings resulting from the use of  
10 nonfossil fuel generated electricity. As the commission deems  
11 appropriate, the just and reasonable rate for nonfossil fuel  
12 generated electricity supplied to the public utility by the  
13 producer may include mechanisms for reasonable and appropriate  
14 incremental adjustments, such as adjustments linked to consumer  
15 price indices for inflation or other acceptable adjustment  
16 mechanisms.

17 The commission shall publish all contracts for the purchase  
18 of nonfossil fuel generated energy by a public utility on a  
19 publicly-accessible portion of the commission's website;  
20 provided that all contracts shall be published in their entirety  
21 and shall include the purchase price of energy expressed as cost  
22 per kilowatt hour as approved or determined by the commission."



1 SECTION 3. New statutory material is underscored.

2 SECTION 4. This Act shall take effect on July 1, 2011.

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INTRODUCED BY: Rosalyn H. Baker

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**Report Title:**

Renewable Energy; Public Utilities Commission

**Description:**

Requires the public utilities commission to publish contracts, including price information, for the purchase of renewable energy by energy utilities on a publicly-accessible portion of the commission's website.

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