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# A BILL FOR AN ACT

RELATING TO ENERGY.

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

1           SECTION 1. The legislature finds that all Hawaii residents  
2 should be able to participate in and enjoy the economic,  
3 environmental, and societal benefits of renewable energy.  
4 Spurred by the Hawaii clean energy initiative and increasingly  
5 affordable clean energy options, such as solar photovoltaic,  
6 localized renewable energy generation technology has become  
7 increasingly attainable.

8           While residential solar energy use statewide has grown  
9 dramatically in recent years, many residents and businesses are  
10 currently unable to directly generate and use renewable energy  
11 because of their location, building type, access to the electric  
12 utility grid, and other impediments.

13           The community-based renewable energy program seeks to  
14 rectify this inequity by dramatically expanding the market for  
15 eligible renewable energy resources to include residential and  
16 business renters, occupants of residential and commercial  
17 buildings with shaded or improperly oriented roofs, and other  
18 groups who are unable to access the benefits of onsite clean



1 energy generation. The legislature finds that it is in the  
2 public interest to promote broader participation in self-  
3 generation by Hawaii residents and businesses through the  
4 development of community renewable energy facilities in which  
5 participants are entitled to generate electricity and receive  
6 credit for that electricity on their utility bills.

7 Community-based renewable energy creates new construction  
8 jobs, stimulates the economy, reduces emissions of greenhouse  
9 gases, promotes energy independence, and assists in meeting the  
10 State's clean energy goals. Further, community-based renewable  
11 energy enables residents and businesses to save money on their  
12 electricity bills, thereby providing additional funds for other  
13 purchasing, investment, or other economic activity.

14 While the concept of "wheeling" electricity over utility  
15 infrastructure has been the subject of discussion for years, the  
16 community-based renewable energy program contemplated in this  
17 Act should not be construed as "wheeling" because the tariff or  
18 tariffs established by the public utilities commission will  
19 address the utility costs related to transmission and  
20 distribution infrastructure and grid operations.



1           The purpose of this Act is to establish the Hawaii  
2 community-based renewable energy program to make the benefits of  
3 renewable energy more accessible to a greater number of Hawaii  
4 residents.

5           SECTION 2. Chapter 269, Hawaii Revised Statutes, is  
6 amended by adding a new section to be appropriately designated  
7 and to read as follows:

8           "§269-     Community-based renewable energy tariffs. (a)  
9 Upon application by an electric utility, or upon its own motion,  
10 the commission shall establish a community-based renewable  
11 energy tariff or tariffs. A community based renewable tariff  
12 shall take effect no later than January 1, 2016. In  
13 establishing the community-based renewable energy tariff or  
14 tariffs, the commission shall consider mechanisms to address  
15 potential cross-subsidy or shifting of costs and benefits  
16 between participants and non-participants to achieve an  
17 appropriate cost and benefit balance for participating and  
18 nonparticipating ratepayers. The mechanisms may include but are  
19 not limited to:

- 20           (1) Time-of-use rates;  
21           (2) Demand charges;



1       (3) System efficiency;

2       (4) Ancillary services; and

3       (5) Other elements of a dynamic rate structure.

4       (b) Any person or entity may propose, own, or operate a

5 community-based renewable energy project; provided that a

6 project equal to or less than one megawatt in size shall be

7 subject to streamlined and standardized interconnection approval

8 processes established by the commission, and a project greater

9 than one megawatt in size shall be subject to the commission's

10 individualized review and approval.

11       (c) An electric utility may develop and implement its own

12 community-based renewable energy project or projects; provided

13 that the projects shall be subject to the commission's review

14 and approval.

15       (d) The community-based renewable energy tariff and

16 related interconnection processes shall, to the extent possible,

17 be standardized.

18       (e) For purposes of this section:

19       "Community-based renewable energy tariff" means a tariff

20 approved by the commission that:



- 1        (1) Allows all electric utility customers, irrespective of  
2        rate class, to receive compensation equal to their pro  
3        rata share of interest in a portion or portions of an  
4        eligible renewable energy project that is providing  
5        electricity to the electric utility; and  
6        (2) Allows the electric utility to implement a billing  
7        arrangement to compensate those customers for the  
8        electricity provided to the electric utility."

9        SECTION 3. New statutory material is underscored.

10       SECTION 4. This Act shall take effect on July 1, 2053.



**Report Title:**

Community-based Renewable Energy Program; Community-based Renewable Energy Tariff; Public Utilities Commission

**Description:**

Establishes the community-based renewable energy program, which allows the public utilities commission to establish a tariff that allows all electric utility customers to obtain an interest in a portion of an eligible renewable energy project that is providing electricity to the electric utility and receive compensation for the energy provided to the electric utility. Effective 7/1/2053. (SD2)

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