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# A BILL FOR AN ACT

RELATING TO RENEWABLE STANDARDS.

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

1           SECTION 1. The legislature finds that Hawaii's dependency  
2 on imported fuel drains our economy of billions of dollars each  
3 year. A stronger local economy depends on a transition away  
4 from imported fuels and toward renewable local resources that  
5 provide a secure source of affordable energy.

6           The legislature further finds that alternative energy  
7 technologies have advanced significantly in recent years,  
8 leading to an explosion of new markets, jobs, and local energy  
9 sources. Due to these and other advances, Hawaii is currently  
10 ahead of its timeline in reaching its goal of becoming forty per  
11 cent renewable by 2030.

12           The legislature also finds that Hawaii is in a period of  
13 energy transition, with many long-term agreements soon to be  
14 executed for new forms of imported fuels that may act as  
15 temporary "bridge" fuels until local sources of renewable energy  
16 can be developed.



1       The purpose of this Act is to update and extend Hawaii's  
2 clean energy initiative and renewable portfolio standards to  
3 ensure maximum long-term benefit to Hawaii's economy by setting  
4 a goal of one hundred per cent renewable by 2045; provided that  
5 extending the renewable portfolio standard goals and transition  
6 to energy independence beyond 2030 shall be undertaken in a  
7 manner that benefits Hawaii's economy and all electric  
8 customers, maintains customer affordability, and does not induce  
9 renewable energy developers to artificially increase the price  
10 of renewable energy in Hawaii. This target will ensure that  
11 Hawaii moves beyond its dependence on imported fuels and  
12 continues to grow a local renewable energy industry.

13       SECTION 2. Section 269-92, Hawaii Revised Statutes, is  
14 amended as follows:

15       1. By amending subsection (a) to read:

16       "(a) Each electric utility company that sells electricity  
17 for consumption in the State shall establish a renewable  
18 portfolio standard of:

19       (1) Ten per cent of its net electricity sales by  
20       December 31, 2010;



- 1 (2) Fifteen per cent of its net electricity sales by
- 2 December 31, 2015;
- 3 (3) [~~Twenty-five~~] Thirty per cent of its net electricity
- 4 sales by December 31, 2020; [~~and~~]
- 5 (4) [~~Forty~~] Sixty per cent of its net electricity sales by
- 6 December 31, 2030[-];
- 7 (5) Seventy per cent of its net electricity sales by
- 8 December 31, 2035; and
- 9 (6) One hundred per cent of its net electricity sales by
- 10 December 31, 2045."

11 2. By amending subsection (d) to read:

12 "(d) Events or circumstances that are outside of an

13 electric utility company's reasonable control may include, to

14 the extent the event or circumstance could not be reasonably

15 foreseen and ameliorated:

- 16 (1) Weather-related damage;
- 17 (2) Natural disasters;
- 18 (3) Mechanical or resource failure;
- 19 (4) Failure of renewable electrical energy producers to
- 20 meet contractual obligations to the electric utility
- 21 company;



- 1 (5) Labor strikes or lockouts;
- 2 (6) Actions of governmental authorities that adversely
- 3 affect the generation, transmission, or distribution
- 4 of renewable electrical energy under contract to an
- 5 electric utility company;
- 6 (7) Inability to acquire sufficient renewable electrical
- 7 energy due to lapsing of tax credits related to
- 8 renewable energy development;
- 9 (8) Inability to obtain permits or land use approvals for
- 10 renewable electrical energy projects;
- 11 (9) Inability to acquire sufficient cost-effective
- 12 renewable electrical energy;
- 13 (10) Inability to acquire sufficient renewable electrical
- 14 energy to meet the 2035 and 2045 renewable portfolio
- 15 standard goals in a manner that is beneficial to
- 16 Hawaii's economy in relation to comparable fossil fuel
- 17 resources;
- 18 [~~10~~] (11) Substantial limitations, restrictions, or
- 19 prohibitions on utility renewable electrical energy
- 20 projects; and





- 1 (A) Determine the extent to which any proposed
- 2 utility ratemaking structure would impact
- 3 electric utility companies' profit margins; and
- 4 (B) Ensure that the electric utility companies'
- 5 opportunity to earn a fair rate of return is not
- 6 diminished;
- 7 (3) Use funds from the public utilities special fund to
- 8 contract with the Hawaii natural energy institute of
- 9 the University of Hawaii to conduct independent
- 10 studies to be reviewed by a panel of experts from
- 11 entities such as the United States Department of
- 12 Energy, National Renewable Energy Laboratory, Electric
- 13 Power Research Institute, Hawaii electric utility
- 14 companies, environmental groups, and other similar
- 15 institutions with the required expertise. These
- 16 studies shall include findings and recommendations
- 17 regarding:
- 18 (A) The capability of Hawaii's electric utility
- 19 companies to achieve renewable portfolio
- 20 standards in a cost-effective manner and shall
- 21 assess factors such as:



- 1 (i) The impact on consumer rates;
- 2 (ii) Utility system reliability and stability;
- 3 (iii) Costs and availability of appropriate
- 4 renewable energy resources and
- 5 technologies ~~[+]~~, including the impact of
- 6 renewable portfolio standards, if any, on
- 7 the energy prices offered by renewable
- 8 energy developers;
- 9 (iv) Permitting approvals;
- 10 (v) Effects on the economy;
- 11 (vi) Balance of trade, culture, community,
- 12 environment, land, and water;
- 13 (vii) Climate change policies;
- 14 (viii) Demographics; ~~[and]~~
- 15 (ix) Cost of fossil fuel volatility; and
- 16 ~~[(ix)]~~ (x) Other factors deemed appropriate by the
- 17 commission; and
- 18 (B) Projected renewable portfolio standards to be set
- 19 five and ten years beyond the then current
- 20 standards;



- 1 (4) Evaluate the renewable portfolio standards every five
- 2 years, beginning in 2013, and may revise the standards
- 3 based on the best information available at the time to
- 4 determine if the standards established by section 269-
- 5 92 remain effective and achievable; and
- 6 (5) Report its findings and revisions to the renewable
- 7 portfolio standards, based on its own studies and
- 8 other information to the legislature no later than
- 9 twenty days before the convening of the regular
- 10 session of 2014, and every five years thereafter."

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

13 SECTION 5. This Act shall take effect on July 1, 2015.





**Report Title:**

Renewable Portfolio Standards; Clean Energy Initiative

**Description:**

Increases renewable portfolio standards to thirty per cent by December 31, 2020, sixty per cent by December 31, 2030, seventy per cent by December 31, 2035, and one hundred per cent by December 31, 2045. Adds the impact on renewable energy developer energy prices and the cost of fuel volatility to PUC study and reporting requirements. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

