
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 systems, localized renewable energy generation technology has
7 become increasingly attainable.

8 While residential solar energy use has grown dramatically
9 across the State in recent years, many residents and businesses
10 are currently unable to directly participate in renewable energy
11 generation because of their location, building type, access to
12 the electric utility grid, or other impediments. The community-
13 based renewable energy program seeks to rectify this inequity by
14 dramatically expanding the market for eligible renewable energy
15 resources to include residential and business renters, occupants
16 of residential and commercial buildings with shaded or



1 improperly oriented roofs, and other groups who are unable to
2 access the benefits of onsite clean energy generation.

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

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

16 While the concept of wheeling electricity over utility
17 infrastructure has been the subject of discussion for years, the
18 community-based renewable energy program contemplated in this
19 Act should not be construed as wheeling because the tariff or
20 tariffs established by the commission will address the utility



1 costs related to transmission and distribution infrastructure
2 and grid operations.

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

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

10 "§269- Community-based renewable energy tariffs. (a)
11 Upon application by an electric utility or another party, or
12 upon its own motion, the public utilities commission shall
13 establish a community-based renewable energy tariff or tariffs.
14 The commission shall establish a community-based renewable
15 energy tariff or tariffs by no later than January 1, 2016.

16 (b) In establishing the community-based renewable energy
17 tariff or tariffs, the commission shall ensure that there shall
18 be no cross-subsidy by or shifting of costs to non-participants
19 to fund any part of the community-based renewable energy
20 program.



1 (c) Any person or entity may propose, own, or operate a
2 community-based renewable energy project subject to the
3 commission's review and approval.

4 (d) An electric utility may develop and implement its own
5 community-based renewable energy project or projects; provided
6 that the project or projects shall be subject to the
7 commission's review and approval.

8 (e) Community-based renewable energy tariffs and related
9 interconnection processes shall, to the extent possible, be
10 standardized.

11 (f) Nothing in this section shall be construed to permit
12 wheeling.

13 (g) As used in this section, "community-based renewable
14 energy tariff" means a tariff approved by the commission that:

15 (1) Allows all electric utility customers, irrespective of
16 rate class, to obtain an interest in a portion or
17 portions of an eligible renewable energy project that
18 is providing electricity to the electric utility;

19 (2) Allows the electric utility to implement a billing
20 arrangement to compensate those customers who have



1 such an interest for the electricity provided to the
2 electric utility; and

3 (3) Applies to community-based renewable energy projects
4 that do not exceed megawatt limitations established by
5 the commission."

6 SECTION 3. Section 269-1, Hawaii Revised Statutes, is
7 amended by adding a new definition to be appropriately inserted
8 and to read as follows:

9 "Wheeling" means the transmission of electricity over
10 transmission or distribution lines by an entity that does not
11 directly own or use the electricity being transmitted and
12 without any compensation to the electric utility for the cost of
13 transmission and distribution."

14 SECTION 4. New statutory material is underscored.

15 SECTION 5. This Act shall take effect on July 1, 2112.



Report Title:

Renewable Energy; Tariffs

Description:

Requires PUC to establish community-based renewable energy tariff or tariffs by no later than January 1, 2016, to allow more utility customers to participate in renewable energy production and use. Prohibits cost-shifting to non-participants. (HB484 HD2)

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