

JAN 23 2020

A BILL FOR AN ACT

RELATING TO PHASING OUT FOSSIL FUELS.

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

1 SECTION 1. The legislature finds that to address the
2 adverse effects of climate change, the State passed the
3 first-in-the-nation policy of directing the electric utility
4 companies in the State to generate one hundred per cent of their
5 electricity sales from renewable energy sources by 2045. Since
6 the State's passage of its one hundred per cent renewable energy
7 by 2045 mandate in 2015, more states and cities have followed
8 suit.

9 While the mandate states that electric utility companies
10 shall establish a renewable portfolio standard of one hundred
11 per cent by 2045, the calculation of the percentage defining the
12 renewable portfolio standard includes electricity generated by
13 sources powered by fossil fuels. The United Nations' landmark
14 report from the Intergovernmental Panel on Climate Change
15 projects a time window of ten years to exercise urgent and
16 drastic action in reducing greenhouse gases to keep the average
17 global temperature below 1.5 degrees Celsius above pre-



1 industrial levels to stem the risks of extreme weather events,
2 refugee flows, heat-related mortality, loss of coastal
3 populations, food insecurity, and other climate-related
4 catastrophes.

5 Given the dramatic rollback in environmental policy under
6 the current federal administration, the State has an opportunity
7 to fortify its effort alongside other state governments in
8 curbing the climate crisis. The State can further strengthen
9 its renewable energy policy by actively tracking and reducing
10 greenhouse gas emissions and also ensuring that by 2030,
11 electricity sources will not increase greenhouse gas emissions.

12 The purpose of this Act is to promote the reduction of
13 greenhouse gas emissions by requiring electric utility companies
14 to have a greenhouse gas neutral electricity portfolio by
15 December 31, 2029.

16 SECTION 2. Chapter 269, Hawaii Revised Statutes, is
17 amended by adding a new section to part V to be appropriately
18 designated and to read as follows:

19 "§269- Greenhouse gas emissions portfolio standard.

20 (a) Each electric utility company that sells electricity for
21 consumption in the State shall establish a greenhouse gas



1 emissions portfolio standard of one hundred per cent of its net
2 electricity sales by December 31, 2029.

3 (b) If the public utilities commission determines that an
4 electric utility company failed to meet the greenhouse gas
5 emissions portfolio standard, after a hearing in accordance with
6 chapter 91, the utility shall be subject to penalties to be
7 established by the public utilities commission; provided that if
8 the commission determines that the electric utility company is
9 unable to meet the greenhouse gas emissions portfolio standard
10 due to reasons beyond the reasonable control of the electric
11 utility, as set forth in section 269-92(d), the commission, in
12 its discretion, may waive in whole or in part any otherwise
13 applicable penalties.

14 (c) The public utilities commission may use funds from the
15 public utilities commission special fund to contract with the
16 Hawaii natural energy institute of the University of Hawaii to
17 conduct independent studies as may be needed.

18 (d) Beginning in 2022, and for every even-numbered year
19 thereafter, the public utilities commission shall evaluate the
20 greenhouse gas emissions portfolio standard and may revise the



1 standard based on the best information available at the time to
2 determine if the standard remains effective and achievable.

3 (e) The public utilities commission shall report its
4 findings and revisions to the standard, based on its own studies
5 and other information, to the legislature no later than twenty
6 days prior to the convening of the regular session of 2023, and
7 every odd-numbered year thereafter."

8 SECTION 3. Chapter 269, Hawaii Revised Statutes, is
9 amended by amending the title of part V to read as follows:

10 " [†] PART V. [~~RENEWABLE~~] ELECTRIC UTILITY
11 PORTFOLIO STANDARDS [†] "

12 SECTION 4. Section 269-91, Hawaii Revised Statutes, is
13 amended by adding three new definitions to be appropriately
14 inserted and to read as follows:

15 "Greenhouse gas" includes carbon dioxide, methane, nitrous
16 oxide, hydrofluorocarbons, perfluorocarbons, sulfur
17 hexafluoride, and any other gases designated by the public
18 utilities commission by rule pursuant to chapter 91.

19 "Greenhouse gas emissions portfolio standard" means the
20 percentage of retail electrical energy sales that is represented
21 by electrical energy from sources that, in their aggregate, are



1 greenhouse gas neutral or remove more anthropogenic greenhouse
2 gas than they emit.

3 "Greenhouse gas neutral" means that for every ton of
4 anthropogenic greenhouse gas emitted, an equivalent amount of
5 anthropogenic greenhouse gas is removed."

6 SECTION 5. Section 269-93, Hawaii Revised Statutes, is
7 amended by amending its title and subsections (a) to (c) to read
8 as follows:

9 "§269-93 Achieving portfolio [~~standard.~~] standards. (a)
10 An electric utility company and its electric utility affiliates
11 may aggregate their renewable portfolios to achieve the
12 renewable portfolio standard. An electric utility company and
13 its electric utility affiliates may aggregate their greenhouse
14 gas emissions portfolios to achieve the greenhouse gas emissions
15 portfolio standard.

16 (b) If an electric utility company and its electric
17 utility affiliates aggregate their renewable portfolios or
18 greenhouse gas emissions portfolios to achieve the renewable
19 portfolio standard[7] or the greenhouse gas emissions portfolio
20 standard, the public utilities commission may distribute,
21 apportion, or allocate the costs and expenses of all or any



1 portion of the respective [~~renewable~~] portfolios among the
2 electric utility company, its electric utility affiliates, and
3 their respective ratepayers, as is reasonable under the
4 circumstances.

5 (c) An electric utility company may recover, through an
6 automatic rate adjustment clause, the electric utility company's
7 revenue requirement resulting from the distribution,
8 apportionment, or allocation of the costs and expenses of the
9 renewable portfolios or the greenhouse gas emissions portfolios
10 of the electric utility company and its electric utility
11 affiliates."

12 SECTION 6. Section 269-94, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "[~~+~~]**§269-94 Waivers, extensions, and incentives.**[~~+~~] Any
15 electric utility company not meeting the renewable portfolio
16 standard or the greenhouse gas emissions portfolio standard
17 shall report to the public utilities commission within ninety
18 days following the goal dates established in [~~section [269-92],~~]
19 sections 269-92 and 269-___ and provide an explanation for not
20 meeting the [~~renewable~~] portfolio standard. The public
21 utilities commission shall have the option to either grant a



1 waiver from the [~~renewable~~] portfolio [~~standard~~] standards or an
2 extension for meeting the prescribed [~~standard~~] standards.

3 The public utilities commission may provide incentives to
4 encourage electric utility companies to exceed their [~~renewable~~]
5 portfolio standards or to meet their [~~renewable~~] portfolio
6 standards ahead of time, or both."

7 SECTION 7. Section 269-121, Hawaii Revised Statutes, is
8 amended by amending subsection (b) to read as follows:

9 "(b) The public benefits fee shall be used to support
10 clean energy technology, demand response technology, and energy
11 use reduction, and demand-side management infrastructure,
12 programs, and services, subject to the review and approval of
13 the public utilities commission. These moneys shall not be
14 available to meet any current or past general obligations of the
15 State; provided that the State may participate in any clean
16 energy technology, demand response technology, or energy use
17 reduction, and demand-side management infrastructure, programs,
18 and services on the same basis as any other electric consumer.

19 For the purpose of this subsection, "clean energy
20 technology" means any commercially available technology that
21 enables the State to meet the renewable portfolio standards,

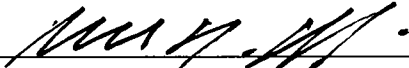


1 established pursuant to section 269-92, [~~or~~] the energy-
2 efficiency portfolio standards, established pursuant to section
3 269-96, or the greenhouse gas emissions portfolio standard,
4 established pursuant to section 269-____, and approved by the
5 public utilities commission by rule or order."

6 SECTION 8. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 9. This Act shall take effect on July 1, 2020.

9

INTRODUCED BY: 

By Request



S.B. NO. 3082

Report Title:

Electricity; Electric Utilities; Portfolio Standards; Greenhouse Gas Neutral; PUC

Description:

Requires electric utility companies to have a greenhouse gas neutral electricity portfolio by 12/31/2029. Requires the public utilities commission to evaluate the progress of achieving greenhouse gas neutrality and impose penalties for failure to meet the portfolio standard.

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