

JAN 28 2015

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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



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

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

15 While the concept of "wheeling" electricity over utility  
16 infrastructure has been the subject of discussion for years, the  
17 community-based renewable energy program contemplated in this  
18 Act should not be construed as "wheeling" because the tariff or  
19 tariffs established by the public utilities commission will  
20 address the utility costs related to transmission and  
21 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 another party, or  
10 upon its own motion, the commission shall establish a community-  
11 based renewable energy tariff or tariffs. A community based  
12 renewable tariff shall take effect no later than January 1,  
13 2016.

14           (b) Any person or entity may propose, own, or operate a  
15 community-based renewable energy project or projects; provided  
16 that a project equal to or less than one megawatt in size shall  
17 be subject to the interconnection processes approved by the  
18 commission, and a project greater than one megawatt in size  
19 shall be subject to the commission's review and approval.

20           (c) An electric utility may develop and implement its own  
21 community-based renewable energy project or projects; provided



1 that the projects shall be subject to the commission's review  
2 and approval.

3 (d) The community-based renewable energy tariff and  
4 related interconnection processes shall, to the extent possible,  
5 be standardized.

6 (e) Nothing in this section shall be construed to permit  
7 wheeling.

8 (f) For purposes of this section:

9 "Community-based renewable energy tariff" means a tariff  
10 approved by the commission that:

11 (1) Allows all electric utility customers, irrespective of  
12 rate class, to obtain an interest in a portion or  
13 portions of an eligible renewable energy project that  
14 is providing electricity to the electric utility; and

15 (2) Allows the electric utility to implement a billing  
16 arrangement to compensate those customers for the  
17 electricity provided to the electric utility."

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



# S.B. NO. 1050

1        "Wheeling" means the transmission of electricity over  
 2 transmission or distribution lines by an entity that does not  
 3 directly own or use the electricity being transmitted, without  
 4 any compensation to the electric utility for the cost of  
 5 transmission and distribution."

6        SECTION 4. New statutory material is underscored.

7        SECTION 5. This Act shall take effect upon its approval.

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# S.B. NO. 1050

**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.

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