
A BILL FOR AN ACT

RELATING TO PUBLIC UTILITIES.

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

1 SECTION 1. The legislature finds that preferential rates
2 for the purchase of energy for agricultural activities and
3 incentives to agricultural customers to acquire storage
4 technology will help support the long-term viability of
5 agricultural activities.

6 The purpose of this Act is to establish preferential rates
7 for the purchase of energy for agricultural activities and
8 provide incentives for agricultural customers to acquire energy
9 storage technology to support the viability of agricultural
10 activities in the State.

11 SECTION 2. Chapter 269, Hawaii Revised Statutes, is
12 amended by adding a new section to part I to be appropriately
13 designated and to read as follows:

14 "§269- Preferential energy rates; agricultural
15 activities. (a) The public utilities commission shall
16 establish preferential off-peak rates for the purchase of energy
17 that is used or consumed for agricultural activities.



1 (b) Upon receipt of a bona fide request for preferential
2 off-peak rates for energy to be used or consumed for
3 agricultural activities and proof that the energy will be used
4 or consumed for agricultural activities, a public utility shall
5 present a request for preferential off-peak rates to the public
6 utilities commission for approval. In reviewing the proposal
7 for preferential off-peak rates, the commission in consultation
8 with the department of agriculture may establish additional
9 criteria for energy used or consumed for agricultural
10 activities; provided that the public utilities commission shall:

- 11 (1) Notify the public of the request for preferential off-
12 peak rates;
13 (2) Consider public comments; and
14 (3) Approve the request only if the public utilities
15 commission determines that the requested preferential
16 off-peak rates will provide a benefit to ratepayers
17 through improved system operations or other impacts."

18 SECTION 3. Chapter 269, Hawaii Revised Statutes, is
19 amended by adding a new section to part I to be appropriately
20 designated and to read as follows:



1 "§269- Agricultural energy storage incentive program.

2 (a) The public utilities commission shall require each electric
3 utility and gas utility to develop an incentive program no later
4 than January 1, 2017, within the electric or gas utility's
5 demand-side management programs authorized by the commission, to
6 provide incentives to an agricultural customer to acquire energy
7 storage technology for use at the agricultural customer's sites.

8 (b) Eligibility for incentives under the program shall be
9 limited to energy storage technologies that the public utilities
10 commission determines meet all of the following requirements:

11 (1) The energy storage technology is capable of reducing
12 demand from the grid by offsetting some or all of the
13 customer's onsite energy load, including but not
14 limited to peak electric demand;

15 (2) The energy storage technology is commercially
16 available;

17 (3) The energy storage technology safely utilizes the
18 existing transmission and distribution system; and

19 (4) The energy storage technology improves air quality by
20 reducing air pollutants."

21 SECTION 4. New statutory material is underscored.



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

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Report Title:

Public Utilities Commission; Preferential Energy Rates;
Agricultural Activities; Incentives; Energy Storage Technology

Description:

Requires the PUC to establish preferential off-peak rates for the purchase of energy that is used or consumed for agricultural activities. Requires the PUC to require electric and gas utilities to develop energy storage technology incentive programs to provide incentives to agricultural customers to acquire energy storage technology for use at the agricultural customers' sites. (SD1)

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