

JAN 25 2006

S.B. NO. 2418

A BILL FOR AN ACT

RELATING TO OPEN TRANSMISSION ACCESS.

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

1 SECTION 1. The legislature finds that Hawaii relies on
2 imported oil to meet over ninety per cent of the State's energy
3 needs, leaving the State critically vulnerable to supply
4 interruptions and oil price volatility. Bold action is needed
5 to chart a progressive energy strategy for the State that should
6 include the integration of Hawaii's indigenous renewable energy
7 resources in electricity production to promote economic
8 stability, enhance energy security, and demonstrate
9 environmental stewardship.

10 The legislature further finds that a number of significant
11 strategies can be undertaken to maximize economic prosperity
12 while minimizing direct, secondary, and tertiary impacts to
13 society. One of these is renting existing, ratepayer-paid-for
14 transmission lines to ship renewable energy generated
15 electricity from a renewable energy generation site to a
16 governmental facility needing electricity. This is a win-win
17 situation: money remains in the State supporting indigenous
18 energy sources, while ratepayer-financed capital expenditures



1 for new central station oil and coal fired power plants and
2 transmission lines are no longer needed.

3 For this reason, the legislature passed Senate Concurrent
4 Resolution 180 during the Regular Session of 2004, requesting
5 the public utilities commission to explore how to implement the
6 concept of intragovernmental wheeling to facilitate government
7 wheeling of electricity. The concurrent resolution was
8 supported by the department of business, economic development,
9 and tourism; the department of commerce and consumer affairs'
10 division of consumer advocacy; the county of Kauai office of
11 economic development and tourism; the county of Maui department
12 of management; and the public utilities commission.

13 The purpose of this Act is to require the public utilities
14 commission to establish a wheeling tariff for intragovernmental
15 wheeling of indigenous electricity.

16 SECTION 2. Section 269-1, Hawaii Revised Statutes, is
17 amended by adding five new definitions to be appropriately
18 inserted and to read as follows:

19 "Indigenous electricity" means electricity generated from
20 local, non-imported resources.

21 "Intragovernmental wheeling" means the retail wheeling
22 where the buyer and seller are the same agency or are sister



1 agencies or departments, such as, for example, the buyer and
2 seller are both county agencies, both state agencies, or both
3 federal agencies or are both a single governmental entity, such
4 as the office of Hawaiian affairs or the department of Hawaiian
5 home lands.

6 "Wheeler" means an individual, corporation, partnership, or
7 other entity that subcontracts from a governmental agency to
8 construct, operate, manage, or oversee one or more aspects of
9 the generation and the retail sale or purchase of indigenous
10 electricity used in an intragovernmental wheeling program.

11 "Wheeling" means the process of transmitting electric power
12 from a seller's point of generation across a third party owned
13 transmission, subtransmission, and distribution systems to the
14 seller's retail customer.

15 "Wheeling tariff" means a commission approved tariff for a
16 governmental agency to use existing utility transmission,
17 subtransmission, and distribution lines."

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

21 "§269- **Wheeling tariff.** The commission shall establish
22 a wheeling tariff for intragovernmental wheeling of indigenous



1 electricity. The tariff may vary for the type of line used,
 2 time of use, and for the geographic location, that is, to serve
 3 loads near utility generators or to serve loads distant from
 4 utility generators. The commission shall establish rules,
 5 pursuant to chapter 91, guaranteeing that an agency or wheeler
 6 may utilize existing utility lines for the purpose of
 7 intragovernmental wheeling."

8 SECTION 4. New statutory material is underscored.

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

10

INTRODUCED BY: 

By Request



SB 2418

Report Title:

Public Utilities Commission

Description:

Requires the public utilities commission to establish a wheeling tariff for intragovernmental wheeling of indigenous electricity.

