
A BILL FOR AN ACT

RELATING TO THE PUBLIC UTILITIES COMMISSION.

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 No. 180 during the Regular Session of 2004,
5 requesting the public utilities commission to explore how to
6 implement the concept of intragovernmental wheeling to
7 facilitate government wheeling of electricity. The concurrent
8 resolution was supported by the department of business, economic
9 development, and tourism; the department of commerce and
10 consumer affairs' division of consumer advocacy; the county of
11 Kauai office of economic development and tourism; the county of
12 Maui department of management; and the public utilities
13 commission.

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

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

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



1 "Intragovernmental wheeling" means the retail wheeling
2 where the buyer and seller are agencies or departments of the
3 federal, state, or any county government.

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

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

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

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

19 "§269- **Wheeling tariff.** The commission shall establish
20 a wheeling tariff for intragovernmental wheeling of indigenous
21 electricity. The tariff may vary for the type of line used,
22 time of use, and for the geographic location, that is, to serve



H.B. NO. 42

1 loads near utility generators or to serve loads distant from
2 utility generators. The commission shall adopt rules, pursuant
3 to chapter 91, guaranteeing that an agency or wheeler may
4 utilize existing utility lines for the purpose of
5 intragovernmental wheeling."

6 SECTION 4. New statutory material is underscored.

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

8

INTRODUCED BY:

Cynthia Hulen
[Signature]
[Signature]

JAN 17 2007

Report Title:

Public Utilities Commission

Description:

Requires PUC to establish a tariff for intergovernmental wheeling of indigenous electric energy between governmental agencies.

