

JAN 19 2007

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# A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY.

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

1           SECTION 1. Act 102, Session Laws of Hawaii 2002 (Act 102),  
2 relating to leasing of public lands for renewable energy  
3 purposes, authorized the board of land and natural resources to  
4 lease public lands to renewable energy producers through direct  
5 negotiation. The intent of Act 102 was to encourage the  
6 development of renewable energy projects and to reduce the  
7 State's dependency on fossil fuels.

8           Act 95, Session Laws of Hawaii 2004 (Act 95), relating to  
9 renewable energy, required electric utilities to meet a  
10 renewable portfolio standard of fifteen per cent for 2015 and a  
11 goal of twenty per cent for 2020. Act 95 also included seawater  
12 air conditioning district cooling systems in the definition of  
13 renewable energy technologies.

14           With the addition of seawater air conditioning district  
15 cooling systems to the definition of renewable energy, the  
16 legislature recognized and codified an important precedent and  
17 principal established by solar water heating, that the



1 displacement of electrical use by thermal applications of  
2 renewable energy technologies is just as important as  
3 electricity generation from renewable resources.

4 Accordingly, the legislature finds that, as a renewable  
5 energy producer, a seawater air conditioning system developer  
6 should be allowed to lease public lands through direct  
7 negotiation.

8 Also, easements that are required for chilled water and  
9 seawater distribution systems for seawater air conditioning  
10 district cooling systems can only be obtained by public auction.  
11 Seawater air conditioning developers must conduct extensive and  
12 costly preliminary work to identify, evaluate, and obtain  
13 easements for chilled water and seawater distribution systems.  
14 It would be beneficial for them to have a more expeditious and  
15 cost-effective way to obtain a necessary easement.

16 Accordingly, the legislature finds that a seawater air  
17 conditioning system developer should be allowed to obtain a  
18 county easement through direct negotiation and without public  
19 auction.

20 The purpose of this Act is to:

- 21 (1) Amend the definition of "renewable energy producer" to  
22 include producers of thermal energy from renewable



1 energy resources, including those who produce cooling  
2 from seawater air conditioning district cooling  
3 systems, so that they will be eligible for leases of  
4 public land; and

5 (2) Allow each county to grant, sell, or otherwise dispose  
6 of easements for chilled water and seawater  
7 distribution systems for renewable energy seawater air  
8 conditioning district cooling systems by negotiation  
9 without public auction.

10 SECTION 2. Section 171-95, Hawaii Revised Statutes, is  
11 amended by amending subsection (c) to read as follows:

12 "(c) For the purposes of this section, "renewable energy  
13 producer" means any producer of electrical or thermal energy  
14 produced by wind, solar energy, hydropower, landfill gas, waste-  
15 to-energy, ocean thermal energy conversion, cold seawater, wave  
16 energy, biomass including municipal solid waste, biofuels or  
17 fuels derived from organic sources, hydrogen fuels derived  
18 primarily from renewable energy, or fuel cells where the fuel is  
19 derived primarily from renewable sources that sell all of the  
20 net power produced from the demised premises to an electric  
21 utility company regulated under chapter 269[-] or that sells all  
22 of the thermal energy it produces to customers of district



1 cooling systems. Up to twenty-five per cent of the power  
2 produced by a renewable energy producer and sold to the utility  
3 or to district cooling system customers may be derived from  
4 fossil fuels."

5 SECTION 3. Section 46-66, Hawaii Revised Statutes, is  
6 amended to read as follows:

7 "[~~§~~46-66~~]~~ **Disposition of real property.**

8 Notwithstanding any other law to the contrary, each county,  
9 subject to the approval of the council, may grant, sell, or  
10 otherwise dispose of any easement, including easements over,  
11 under, through, and across land bordering the ocean, at public  
12 auction; provided that any easement for any governmental or  
13 public utility purpose or for chilled water and seawater  
14 distribution systems for renewable energy seawater air  
15 conditioning district cooling systems may be granted, sold, or  
16 otherwise disposed of by negotiation without public auction."

17 SECTION 4. Statutory material to be repealed is bracketed  
18 and stricken. New statutory material is underscored.

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

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**Report Title:**

Renewable Energy; Seawater Air Conditioning District Cooling Systems

**Description:**

Clarifies definition of "renewable energy producer" to include thermal energy sold to customers of district cooling systems, for purposes of leasing public lands; allows a county to grant, sell or otherwise dispose of easements for chilled water and seawater distribution systems for renewable energy seawater air conditioning district cooling systems by negotiation without public auction.

