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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, relating  
2 to leasing of public lands for renewable energy purposes,  
3 authorized the board of land and natural resources to lease  
4 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, relating to renewable  
9 energy, required electric utilities to meet a renewable  
10 portfolio standard of fifteen per cent of its net electricity  
11 sales by December 31, 2015, and a goal of twenty per cent of its  
12 net electricity sales by December 31, 2020. Act 95 also  
13 included seawater air conditioning district cooling systems in  
14 the definition of "renewable energy" under section 269-91,  
15 Hawaii Revised Statutes.

16           With the addition of seawater air conditioning district  
17 cooling systems to the definition of renewable energy, the



1 legislature recognized and codified an important precedent and  
2 principle established by solar water heating, that the  
3 displacement of electrical use by thermal applications of  
4 renewable energy technologies is just as important as  
5 electricity generation from renewable resources.

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

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

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

22 The purpose of this Act is to:



1 (1) Amend the definition of "renewable energy producer"  
 2 under section 171-95, Hawaii Revised Statutes, to  
 3 include producers of thermal energy from renewable  
 4 energy resources, including those who produce cooling  
 5 from seawater air conditioning district cooling  
 6 systems, so that they will be eligible for leases of  
 7 public land; and

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

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

15 "(c) For the purposes of this section, "renewable energy  
 16 producer" means any producer of electrical or thermal energy  
 17 produced by wind, solar energy, hydropower, landfill gas, waste-  
 18 to-energy, ocean thermal energy conversion, cold seawater, wave  
 19 energy, biomass including municipal solid waste, biofuels or  
 20 fuels derived from organic sources, hydrogen fuels derived  
 21 primarily from renewable energy, or fuel cells where the fuel is  
 22 derived primarily from renewable sources that sell all of the



1 net power produced from the demised premises to an electric  
2 utility company regulated under chapter 269[-] or that sells all  
3 of the thermal energy it produces to customers of district  
4 cooling systems. Up to twenty-five per cent of the power  
5 produced by a renewable energy producer and sold to the utility  
6 or to district cooling system customers may be derived from  
7 fossil fuels."

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

10 "[+]§46-66[+] Disposition of real property.

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

20 SECTION 4. Statutory material to be repealed is bracketed  
21 and stricken. New statutory material is underscored.

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



**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. (SD1)

