
A BILL FOR AN ACT

RELATING TO ENERGY EFFICIENCY.

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

1 SECTION 1. The purpose of this Act is to clarify chapter
2 269, part VII, Hawaii Revised Statutes, relating to the
3 administration and use of moneys supporting energy-efficiency
4 and demand-side management programs and services.

5 SECTION 2. Chapter 269, part VII, Hawaii Revised Statutes,
6 is amended to read as follows:

7 " ~~[FUND]~~ PART VII. PUBLIC BENEFITS ~~[FUND]~~ FEE

8 ~~[§269-121]~~ Public benefits ~~[fund]~~ fee authorization.

9 (a) The public utilities commission, by order or rule, may
10 ~~[redirect]~~ require that all or a portion of the ~~[funds]~~ moneys
11 collected by Hawaii's electric utilities from its ratepayers
12 through ~~[the current]~~ a demand-side management surcharge ~~[by~~
13 Hawaii's electric utilities into a public benefits fund that may
14 be established by the public utilities commission.] be
15 transferred to a third-party administrator appointed by the
16 public utilities commission. The moneys transferred shall be
17 known as the public benefits fee.



1 (b) ~~[If the public utilities commission establishes a~~
2 ~~public benefits fund, the surcharge shall be known as the public~~
3 ~~benefits fee. Moneys in the fund shall be ratepayer funds that]~~
4 The public benefits fee shall be used to support energy-
5 efficiency and demand-side management programs and services,
6 subject to the review and approval of the public utilities
7 commission. These moneys shall not be available to meet any
8 current or past general obligations of the State[-], provided
9 that the State may participate in any energy-efficiency or
10 demand-side management programs and services on the same basis
11 as any other electric consumer.

12 (c) Nothing in this section shall create or be construed
13 to cause the public benefits fee to be considered state or
14 public moneys subject to appropriation by the legislature or be
15 required to be deposited into the state treasury.

16 [+]§269-122[+] **Public benefits [fund] fee administrator;**
17 **establishment.** (a) ~~[If the]~~ The public utilities commission
18 ~~[establishes a public benefits fund, the public utilities~~
19 ~~commission shall appoint]~~ may contract with a [fund] third-party
20 administrator, to be known as the public benefits fee
21 administrator, on such terms and conditions that it deems
22 necessary to manage the public benefits fee moneys collected



1 pursuant to section 269-121. The public benefits fee
2 administrator shall operate and [~~manage~~] administer any programs
3 established under section 269-121. The [~~fund~~] administrator
4 shall not expend more than ten per cent of the [~~fund~~] public
5 benefits fee moneys in any fiscal year, or other reasonable
6 percentage determined by the public utilities commission, for
7 administration of the programs established under section 269-
8 121.

9 (b) The [~~fund~~] public benefits fee administrator shall be
10 subject to regulation by the public utilities commission,
11 [~~including pursuant to~~] under any provision applicable to a
12 public utility in sections 269-7, 269-8, 269-8.2, 269-8.5, 269-
13 9, 269-10, 269-13, 269-15, 269-19.5, and 269-28, and shall
14 report to the public utilities commission on a regular basis.
15 Notwithstanding any other provision of law to the contrary, the
16 [~~fund~~] public benefits fee administrator shall not be an
17 electric public utility or an electric public utility affiliate.

18 **[+]§269-123[+]** **Requirements for the public benefits [~~fund~~]**
19 **fee administrator.** (a) Any [~~fund~~] public benefits fee
20 administrator appointed pursuant to section 269-122 shall
21 satisfy the qualification requirements established by the public



1 utilities commission by rule or order. These requirements may
2 include experience and expertise in:

3 (1) Energy-efficient and renewable energy technologies and
4 methods; and

5 (2) Identifying, developing, administering, and
6 implementing demand-side management and energy-
7 efficiency programs.

8 (b) The ~~[fund]~~ public benefits fee administrator's duties
9 and responsibilities shall be established by the public
10 utilities commission by rule or order, and may include:

11 (1) Identifying, developing, administering, promoting,
12 implementing, and evaluating programs, methods, and
13 technologies that support energy-efficiency and
14 demand-side management programs;

15 (2) Encouraging the continuance or improvement of
16 efficiencies made in the production, delivery, and use
17 of energy-efficiency and demand-side management
18 programs and services;

19 (3) Using the energy-efficiency expertise and capabilities
20 that have developed or may develop in the State and
21 consulting with state agency experts;



- 1 (4) Promoting program initiatives, incentives, and market
2 strategies that address the needs of persons facing
3 the most significant barriers to participation;
- 4 (5) Promoting coordinated program delivery, including
5 coordination with electric public utilities regarding
6 the delivery of low-income home energy assistance,
7 other demand-side management or energy-efficiency
8 programs, and any utility programs;
- 9 (6) Consideration of innovative approaches to delivering
10 demand-side management and energy-efficiency services,
11 including strategies to encourage [~~third-party~~] third-
12 party financing and customer contributions to the cost
13 of demand-side management and energy-efficiency
14 services; and
- 15 (7) Submitting, to the public utilities commission for
16 review and approval, a multi-year budget and planning
17 cycle that promotes program improvement, program
18 stability, and maturation of programs and delivery
19 resources.

20 **[§269-124] Transitioning from utility demand-side**
21 **management programs to the public benefits [fund+]** fee. If the
22 public utilities commission establishes a public benefits [fund]



1 fee pursuant to section 269-121, the public utilities commission
2 shall:

3 (1) Develop a transition plan that ensures that:

4 (A) Utility demand-side management programs are
5 continued, to the extent practicable, until the
6 transition date; and

7 (B) The [~~fund~~] public benefits fee administrator will
8 be able to provide demand-side management and
9 energy-efficiency services on the transition
10 date;

11 (2) Encourage programs that allow all retail electricity
12 customers, including state and county agencies,
13 regardless of the retail electricity or gas provider,
14 to have an opportunity to participate in and benefit
15 from a comprehensive set of cost-effective demand-side
16 management and energy-efficiency programs and
17 initiatives designed to overcome barriers to
18 participation;

19 (3) Encourage programs, measures, and delivery mechanisms
20 that reasonably reflect current and projected utility
21 integrated resource planning, market conditions,
22 technological options, and environmental benefits;



- 1 (4) Facilitate the delivery of these programs as rapidly
2 as possible, taking into consideration the need for
3 these services and cost-effective delivery mechanisms;
- 4 (5) Consider the unique geographic location of the State
5 and the high costs of energy in developing programs
6 that will promote technologies to advance energy
7 efficiency and use of renewable energy and permit the
8 State to take advantage of activities undertaken in
9 other states, including the opportunity for multi-
10 state programs;
- 11 (6) Require the [~~fund~~] public benefits fee administrator
12 appointed by the public utilities commission under
13 section 269-122 to deliver programs in an effective,
14 efficient, timely, and competent manner and to meet
15 standards that are consistent with state policy and
16 public utilities commission policy; and
- 17 (7) Before January 2, 2008, and every three years
18 thereafter, require verification by an independent
19 auditor of the reported energy and capacity savings
20 and incremental renewable energy production savings
21 associated with the programs delivered by the [~~fund~~]
22 public benefits fee administrator appointed by the



1 public utilities commission to deliver energy-
2 efficiency and demand-side management programs under
3 section 269-121."

4 SECTION 3. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 4. This Act shall take effect upon its approval.



Report Title:

Energy Efficiency; Public Benefits

Description:

Clarifies provisions of chapter 269, part VII, Hawaii Revised Statutes, relating to the administration and use of moneys supporting energy-efficiency and demand-side management programs and services. (SD1)

