

MAR 13 2008

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# SENATE CONCURRENT RESOLUTION

URGING THE PUBLIC UTILITIES COMMISSION TO RULE THAT ALL  
SCHEDULE Q CONTRACTS SHOULD RECEIVE THE FULL AVOIDED COST  
PRICING AS WRITTEN IN THE EXISTING SCHEDULE Q ELECTRICITY  
RATE SCHEDULE FOR EACH UTILITY.

1           WHEREAS, schedule Q is an electricity rate schedule,  
2 currently offered by various electric utilities, that allows  
3 small renewable energy systems producing less than 100 kilowatts  
4 to sell electricity back to the electric utilities; and  
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6           WHEREAS, schedule Q was created to advance state objectives  
7 to reduce dependency on fossil fuel for electricity generation,  
8 support high technology industry, and create local jobs in the  
9 high technology industry sector; and  
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11           WHEREAS, the price in schedule Q contracts is the average  
12 price that the electric utility pays for fuel for all of its  
13 electricity generation, also known as "avoided cost"; and  
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15           WHEREAS, the provision of "avoided cost" pricing in  
16 schedule Q contracts for private and public renewable energy  
17 projects keeps energy dollars in the local economy and provides  
18 financial security for sustainable industries such as  
19 agriculture, which needs to be expanded to guarantee food  
20 security; and  
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22           WHEREAS, the provision of "avoided costs" pricing in  
23 schedule Q contracts provides financial security by establishing  
24 the "certainty" needed for public and private sectors to invest  
25 in the energy infrastructure and equipment needed to produce  
26 clean renewable energy in the State; and  
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28           WHEREAS, numerous private and public renewable energy  
29 projects have been started with the intention of using schedule  
30 Q to sell electricity back to the utilities; and



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2 WHEREAS, however, new schedule Q contracts are being  
3 delayed because of the Public Utilities Commission's uncertainty  
4 regarding a recent law that requires the "de-linking" of the  
5 price of oil from future power purchase agreements for renewable  
6 energy; and

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8 WHEREAS, the de-linking law was enacted to encourage  
9 competitive bidding for new, large power purchase agreements for  
10 renewable energy; and

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12 WHEREAS, the new law is serving its purpose because  
13 competitive bidding for new, large electricity generation  
14 systems is now in effect; and

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16 WHEREAS, however, schedule Q contracts were always intended  
17 to apply to small, distributive renewable energy systems, which  
18 should not be delayed by the de-linking law; and

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20 WHEREAS, all schedule Q contracts should receive the full  
21 avoided cost pricing as written in the existing schedule Q  
22 electricity rate schedule for each electric utility; now,  
23 therefore,

24  
25 BE IT RESOLVED by the Senate of the Twenty-fourth  
26 Legislature of the State of Hawaii, Regular Session of 2008, the  
27 House of Representatives concurring, that the Public Utilities  
28 Commission is urged to rule that all schedule Q contracts should  
29 receive the full avoided cost pricing as written in the existing  
30 schedule Q electricity rate schedule for each electric utility;  
31 and

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33 BE IT FURTHER RESOLVED that a certified copy of this  
34 Concurrent Resolution be transmitted to the Chair of the Public  
35 Utilities Commission.

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OFFERED BY: Russell Kohl