

MAR 13 2008

S.R. NO. 129

SENATE 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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32 WHEREAS, however, new schedule Q contracts are being
33 delayed because of the Public Utilities Commission's uncertainty



1 regarding a recent law that requires the "de-linking" of the
2 price of oil from future power purchase agreements for renewable
3 energy; and

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5 WHEREAS, the de-linking law was enacted to encourage
6 competitive bidding for new, large power purchase agreements for
7 renewable energy; and

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9 WHEREAS, the new law is serving its purpose because
10 competitive bidding for new, large electricity generation
11 systems is now in effect; and

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

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

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

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29 BE IT FURTHER RESOLVED that a certified copy of this
30 Resolution be transmitted to the Chair of the Public Utilities
31 Commission.

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OFFERED BY: *Renees. Kolb*

