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# A BILL FOR AN ACT

RELATING TO PUBLIC UTILITIES.

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

1           SECTION 1. The legislature finds that public utilities in  
2 Hawaii are required to meet renewable portfolio standards.  
3 These standards require twenty per cent of each electric  
4 utility's sales to come from renewable energy by 2020. The  
5 Hawaii Clean Energy Initiative proposes to increase this  
6 renewable energy requirement to forty per cent by 2030.  
7 Additionally, the Constitution of the State of Hawaii identifies  
8 increased self-sufficiency as being in the public interest.

9           The legislature finds that renewable energy creates the  
10 maximum benefit to the State when it is locally produced. The  
11 legislature further finds that renewable energy sources that  
12 complement the production of agricultural products are  
13 especially desirable. These sources provide for food and fiber  
14 self-sufficiency while also providing electricity. The  
15 legislature finds that it is in the interest of the State to  
16 encourage the synergy between agricultural production and  
17 renewable energy production.



1           The purpose of this Act is to create incentives for  
2 electric utilities to meet and exceed renewable portfolio  
3 standards, including a preferential rate for renewable  
4 electrical energy purchased from renewable energy producers  
5 associated with agriculture.

6           SECTION 2. Section 269-94, Hawaii Revised Statutes, is  
7 amended to read as follows:

8           "~~§~~269-94 **Waivers, extensions, and incentives.** ~~(a)~~ (a)

9 Any electric utility company not meeting the renewable portfolio  
10 standard shall report to the public utilities commission within  
11 ninety days following the goal dates established in section  
12 ~~§~~269-92~~(a)~~, and provide an explanation for not meeting the  
13 renewable portfolio standard. The public utilities commission  
14 shall have the option to either grant a waiver from the  
15 renewable portfolio standard or an extension for meeting the  
16 prescribed standard.

17           (b) The public utilities commission may provide incentives  
18 to encourage electric utility companies to exceed their  
19 renewable portfolio standards or to meet their renewable  
20 portfolio standards ahead of time, or both~~(a)~~, including, but  
21 not limited to:



- 1        (1) A preferential rate for the purchase of renewable
- 2        electrical energy pursuant to section 269-27.2 from a
- 3        renewable energy producer who is also associated with
- 4        agricultural activities;
- 5        (2) Renewable energy credit trading programs which
- 6        establish a value for all of the attributes associated
- 7        with renewable energy production; and
- 8        (3) Credits for providing environmental services, such as
- 9        improving air and water quality, enacting flood
- 10       control measures, improving wildlife habitat areas,
- 11       and carbon sequestration."

12       SECTION 3. Statutory material to be repealed is bracketed  
 13 and stricken. New statutory material is underscored.

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

15 ~~James J. ...~~  
Guthrie Thelen  
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INTRODUCED BY:

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**Report Title:**

Electric Utilities; Renewable Electrical Energy; Renewable Portfolio Standards

**Description:**

Authorizes a preferential rate for electricity purchased by electric utilities from renewable energy producers that are associated with agricultural activities.

