

S.B. NO. 2671

JAN 25 2010

A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY.

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

1 SECTION 1. The purpose of this Act is to modify the
2 renewable portfolio standards to specify that beginning January
3 1, 2015, a minimum of two per cent of electrical power
4 generation, as measured by kilowatt hours, be met from renewable
5 power generated by facilities that commercially produce food
6 products or biofuels in tandem with the production of electrical
7 power.

8 SECTION 2. Section 269-92, Hawaii Revised Statutes, is
9 amended by amending subsection (b) to read as follows:

10 "(b) The public utilities commission may establish
11 standards for each utility that prescribe what portion of the
12 renewable portfolio standards shall be met by specific types of
13 renewable energy resources; provided that:

14 (1) Prior to January 1, 2015, at least fifty per cent of
15 the renewable portfolio standards shall be met by
16 electrical energy generated using renewable energy as
17 the source, and after December 31, 2014, the entire

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- 1 renewable portfolio standard shall be met by
2 electrical generation from renewable energy sources;
- 3 (2) Beginning January 1, 2015, electrical energy savings
4 shall not count toward renewable energy portfolio
5 standards;
- 6 (3) Where electrical energy is generated or displaced by a
7 combination of renewable and nonrenewable means, the
8 proportion attributable to the renewable means shall
9 be credited as renewable energy; [~~and~~]
- 10 (4) Where fossil and renewable fuels are co-fired in the
11 same generating unit, the unit shall be considered to
12 generate renewable electrical energy (electricity) in
13 direct proportion to the percentage of the total heat
14 input value represented by the heat input value of the
15 renewable fuels[~~-~~]; and
- 16 (5) Beginning January 1, 2015, at least two per cent of
17 net electrical power generation, as measured by
18 kilowatt-hours, shall be met from electrical power
19 generated by facilities that commercially produce
20 biofuels or food, feed, or wood products in tandem
21 with the production of electrical power. For the
22 purposes of this section, a facility engaged in the

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1 commercial production of biofuels is one that produces
2 over five hundred thousand gallons of biofuel per
3 year; a facility engaged in the commercial production
4 of food, feed, or wood products is one that produces
5 over one million pounds of saleable product per year."

6 SECTION 3. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

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

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INTRODUCED BY:

~~_____~~
BY REQUEST

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Report Title:

Agriculture; Electrical Power Generation; Electric Utilities

Description:

Modifies the renewable portfolio standards to require at least two per cent of electrical power generation starting in 2015 be from commercial operations that also produces food or biofuels.

JUSTIFICATION SHEET

DEPARTMENT: Business, Economic Development, and Tourism

TITLE: A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY.

PURPOSE: To modify the statutory renewable portfolio standards under section 269-92, Hawaii Revised Statutes, to specify that, beginning in 2015, a minimum of two per cent of electricity generation must be met with renewable electricity generated from facilities that commercially produce food products or biofuels in tandem with the production of electrical power.

MEANS: Amend section 269-92(b), Hawaii Revised Statutes.

JUSTIFICATION: Encouraging locally grown food and locally grown fuels can decrease Hawaii's reliance on the importation of food and petroleum. Historically, it has been economically difficult too grow food stuffs in Hawaii without significant economies of scale. It has also been challenging to develop biofuel sources, other than bagasse, on a large enough scale and over a sustained period to supply the electrical utility industry.

This bill encourages the tandem development of food products and biofuels by allocating a subset of the renewable energy portfolio standards to entities that combine food and fuel production, thereby increasing the economic viability of the operation.

Impact on the public: This measure defines a specific public goal of designating that two percent of net electrical power shall come from commercial operations that can produce 500,000 gallons or more of biofuel per year or can produce up to one million pounds of wood, feedstock, or food per year.

Impact on the department and other agencies:
The Public Utilities Commission is required, starting January 1, 2015, to ensure that at least two percent of electrical generation capacity, as measured by kilowatt-hours, is generated by commercial operations that produce food or biofuels in tandem with electrical power generation.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: BUF-901.

OTHER AFFECTED
AGENCIES: Department of Business, Economic
Development, and Tourism, and Department of
Agriculture.

EFFECTIVE DATE: Upon approval.