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# A BILL FOR AN ACT

RELATING TO RETAIL WHEELING.

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

1           SECTION 1. Some states in the 1990s opted to fully or  
2 partially unbundle their electricity sectors to allow for  
3 competitive generation segments, separate transmission and  
4 distribution segments, and independent system operators.  
5 Retail wheeling refers to the distribution of electricity owned  
6 by an independent power supplier and sold to a consumer over  
7 transmission and distribution lines of a public utility that is  
8 not itself producing the electricity. While fifteen other  
9 states have actively restructured their energy markets and  
10 adopted retail wheeling in some form, in Hawaii, independent  
11 power producers must sell power to a public utility rather than  
12 making direct sales to end users.

13           The legislature finds that in an environment and  
14 electricity market such as Hawaii's, intra-governmental wheeling  
15 can provide a vehicle for increased competition in energy  
16 markets and improved service without requiring the utility to

1 divest its own generation assets or lose control over the  
2 operation of transmission and distribution.

3 The purpose of this Act is to authorize a limited retail  
4 wheeling market where independent renewable energy producers on  
5 state lands may sell electricity directly to state government  
6 entities located on the same island as the power producer.

7 SECTION 2. Chapter 269, Hawaii Revised Statutes, is  
8 amended by adding a new section to be appropriately designated  
9 and to read as follows:

10 "§269- Retail wheeling; rules and procedures; intra-  
11 governmental. (a) No later than July 1, 2011, the public  
12 utilities commission shall establish necessary policies, and  
13 rules pursuant to chapter 91, for the deployment of retail  
14 wheeling to enable power producers to sell electricity directly  
15 to state government entities located on the same island as the  
16 power producer.

17 (b) For purposes of this section:

18 "Power producer" means an independent renewable energy  
19 producer operating on state lands.

20 "Retail wheeling" means the distribution, over a public  
21 utility's transmission and distribution system, of power that is

1 generated by a power producer and sold by the power producer  
2 directly to the end user."

3 SECTION 3. New statutory material is underscored.

4 SECTION 4. This Act shall take effect on July 1, 2010.

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**Report Title:**

Retail Wheeling; Public Utilities; Intra-Governmental

**Description:**

Requires the public utilities commission to establish policies and procedures related to retail wheeling to enable renewable energy producers operating on state lands to sell electricity directly to state government entities located on the same island as the producer. (SD1)

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