
A BILL FOR AN ACT

RELATING TO RETAIL WHEELING.

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

1 SECTION 1. In the 1990s, some states 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. While
8 fifteen other states have restructured their energy markets to
9 adopt retail wheeling in some form, in Hawaii, independent power
10 producers must sell power to a public utility rather than making
11 direct sales to end users.

12 The legislature finds that in an environment and
13 electricity market such as Hawaii's, intra-governmental wheeling
14 can provide a vehicle for increased competition in energy
15 markets and improved service without requiring the utility to
16 divest its own generation assets or lose control over the
17 operation of transmission and distribution.



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

6 The legislature finds that the most efficient means of
7 implementing retail wheeling is through the adoption of rules
8 and orders by the public utilities commission. Therefore, the
9 legislature supports the stated intention of the public
10 utilities commission to add this issue to an already-existing
11 docket scheduled for December 2010 for discussion and
12 consideration.

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

16 "§269- Retail wheeling; rules and procedures; intra-
17 governmental. (a) The public utilities commission shall
18 establish necessary policies and rules pursuant to chapter 91
19 and shall issue orders for the deployment of retail wheeling to
20 enable power producers to sell electricity directly to state
21 government entities located on the same island as the power
22 producer.



1 (b) For purposes of this section:

2 "Power producer" means an independent renewable energy
3 producer operating on state lands.

4 "Retail wheeling" means the distribution, over a public
5 utility's transmission and distribution system, of power that is
6 generated by a power producer and sold by the power producer
7 directly to the end user."

8 SECTION 3. New statutory material is underscored.

9 SECTION 4. This Act shall take effect on July 1, 2050.



Report Title:

Retail Wheeling; Public Utilities; Intra-Governmental

Description:

Requires the public utilities commission to establish rules and policies and issue orders 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. (SD2)

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