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# A BILL FOR AN ACT

RELATING TO FOSSIL FUELS.

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

1           SECTION 1. The legislature finds that carbon dioxide from  
2 fossil fuel consumption is implicated in global climate change  
3 and may have profound consequences on the State's environment  
4 and quality of life. Current scientific consensus predicts a  
5 very different future from what we are accustomed to, if heat-  
6 trapping greenhouse gas emissions continue unabated. Due to  
7 rising sea levels, coastal areas throughout the State are  
8 threatened and saltwater intrusion can contaminate island  
9 aquifers. More frequent storms and hurricanes may strike the  
10 islands, and prolonged droughts and subtle shifts in island  
11 microclimates may rapidly increase the extinction of endangered  
12 plants and animals.

13           The legislature finds that the State's dependency on  
14 foreign fossil fuel results in the annual outflow of billions of  
15 dollars from the state economy. In 2005, the State imported  
16 over 51,000,000 barrels of petroleum and 805,000 short tons of  
17 coal. In the summer of 2008, the price per barrel of oil



1 exceeded \$140. As a result, billions of dollars are directly  
2 exported from the State each year. Efforts to dramatically  
3 reduce fossil fuel consumed in the State will benefit both the  
4 economy and the environment.

5 However, the legislature finds that the State can play a  
6 pivotal role in utilizing technologies that reduce humankind's  
7 contribution to global climate change and help to stabilize  
8 Hawaii's economy by transitioning away from fossil fuel sources  
9 to generate electricity, by encouraging the construction of  
10 facilities that can utilize multiple types of feedstocks to  
11 eventually transition into primarily renewable feedstocks as  
12 they become available.

13 Therefore, the purpose of this Act is to align the State's  
14 energy policy by prohibiting the construction or operation of a  
15 new facility that produces electrical energy solely from the  
16 combustion of any type of fossil fuel, to allow for the  
17 transition into locally available renewable feedstocks to  
18 advance the goals and objectives of the Hawaii Clean Energy  
19 Initiative.

20 SECTION 2. Chapter 196, Hawaii Revised Statutes, is  
21 amended by adding a new section to be appropriately designated  
22 and to read as follows:



1        "§196-    New fossil fuel-powered electrical generation  
2 facilities; prohibition.    (a)    No state or county agency shall  
3 issue a permit to any applicant for the construction or  
4 operation of a new facility that produces electrical energy  
5 solely from the combustion of any type of fossil fuel; provided  
6 that under extraordinary circumstances, as determined by the  
7 public utilities commission, a permit may be issued; and  
8 provided further that this section shall not apply when the  
9 electric generation unit is primarily used to serve the  
10 facility's own internal operation and has a rated capacity of  
11 less than two megawatts.

12        (b)    For the purposes of this section, "extraordinary  
13 circumstances" may include circumstances:

- 14        (1)    That may have detrimental and adverse impacts on the  
15        ratepayer or the viability of the public utility; or  
16        (2)    Where there is a certainty that renewable fuels are  
17        not available to carry out the effect of the  
18        prohibition."

19        SECTION 3. Chapter 269, Hawaii Revised Statutes, is  
20 amended by adding a new section to be appropriately designated  
21 and to read as follows:



1           "§269-    New fossil fuel-powered electrical generation  
2 facilities; prohibition.   (a) The commission shall not approve  
3 the construction or operation of a new facility whose new  
4 electrical generation unit produces electricity solely from the  
5 combustion of any type of fossil fuel; provided that under  
6 extraordinary circumstances, as determined by the commission, an  
7 approval may be granted; and provided further that this section  
8 shall not apply to electric generation units that have a primary  
9 purpose to serve the internal operations of a facility and have  
10 a rated capacity of less than two megawatts.

11           (b) For the purposes of this section, "extraordinary  
12 circumstances" may include circumstances:

- 13           (1) That may have detrimental and adverse impacts on the  
14           ratepayer or the viability of the public utility; or  
15           (2) Where there is a certainty that renewable fuels are  
16           not available to carry out the effect of the  
17           prohibition."

18           SECTION 3. New statutory material is underscored.

19           SECTION 4. This Act shall take effect on July 1, 2009.



**Report Title:**

Fossil Fuel; Electric Generation; Renewable Energy; PUC

**Description:**

Prohibits the construction or operation of any new electricity generating facility using fossil fuel, except under extraordinary circumstances, as determined by the PUC, or when the electric generation unit has rated capacity of less than 2 megawatts and is used primarily to serve a facility's own internal operation. (HD1)

