

JAN 23 2009

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# A BILL FOR AN ACT

RELATING TO ENERGY.

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

1           SECTION 1. The purpose of this Act is to establish new  
2 policies relating to the purchase of electricity produced by  
3 agricultural producers. Hawaii has an established renewable  
4 portfolio standard that mandates twenty per cent renewable  
5 generation by 2020. The Hawaii clean air initiative is calling  
6 for forty per cent renewable generation by 2030. Additionally,  
7 the Hawaii state constitution states that increased energy  
8 self-sufficiency is in the public interest.

9           Renewable energy is of maximum benefit to the State when it  
10 is locally produced. Local renewable energy production  
11 complimenting the production of other agricultural products is  
12 especially desirable. Developing agricultural sources  
13 encourages food and fiber self-sufficiency while also providing  
14 electricity. It is in the interest of the State to encourage  
15 agricultural energy production activities.

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



1           " ~~[+]~~ §269-94 Waivers, extensions, and incentives. ~~[+]~~ (a)  
2 Any electric utility company not meeting the renewable portfolio  
3 standard shall report to the public utilities commission within  
4 ninety days following the goal dates established in section  
5 ~~[+]~~ 269-92 ~~[+]~~, and shall provide an explanation for not meeting  
6 the renewable portfolio standard. The public utilities  
7 commission shall have the option to either grant a waiver from  
8 the renewable portfolio standard or an extension for meeting the  
9 prescribed standard.

10           (b) The public utilities commission may provide incentives  
11 to encourage electric utility companies to exceed their  
12 renewable portfolio standards ~~[e]~~, to meet their renewable  
13 portfolio standards ahead of time, or both ~~[r]~~, including but not  
14 limited to:

- 15           (1) Preferential rates for producers associated with  
16           agricultural activities in accordance with subsection  
17           (c);  
18           (2) Renewable energy credits trading programs which  
19           establish a value for all of the attributes associated  
20           with renewable energy production; and  
21           (3) Credit for environmental restoration activities such  
22           as improving air and water quality, flood control,



1 wildlife habitat restoration and preservation, and  
2 carbon sequestration.

3 (c) The following renewable energy sources shall be  
4 eligible for preferential rates for producers associated with  
5 agricultural activities:

- 6 (1) Photovoltaic solar panels;
- 7 (2) Solar thermal collectors;
- 8 (3) Biomass generators;
- 9 (4) Biogas generators;
- 10 (5) Biofuel generators;
- 11 (6) Wind turbines;
- 12 (7) Geothermal generators;
- 13 (8) Low impact hydropower "run of the river" facilities;
- 14 and
- 15 (9) Fuel cells using hydrogen produced from renewable,
- 16 nonfossil fuel sources."

17 SECTION 3. Statutory material to be repealed is bracketed  
18 and stricken. New statutory material is underscored.

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

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INTRODUCED BY:

*Altm Hee*  
BY REQUEST



**Report Title:**

Providers of Electricity; Agricultural Producers; Alternative Energy

**Description:**

Authorizes PUC to establish a preferential rate structure for electricity provided by agricultural producers from renewable energy sources. Also authorizes the establishment of a renewable energy credits trading program and credits for environmental services.

