

JAN 23 2009

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# A BILL FOR AN ACT

RELATING TO ELECTRICITY.

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

1           SECTION 1. A renewable portfolio standard is a regulatory  
2 policy that requires the increased production of renewable  
3 energy sources such as wind, solar, biomass, and geothermal  
4 energies. Recognizing the State's commitment to developing  
5 renewable energy sources and the state constitution's mandate to  
6 further state self-sufficiency, Hawaii established a renewable  
7 portfolio standard requiring twenty per cent of the electricity  
8 generated by the State's public utilities to be generated from  
9 renewable energy sources by the year 2020. The Hawaii clean  
10 energy initiative calls for forty per cent of the State's energy  
11 to be generated from renewable energy sources by the year 2030.

12           Sources of renewable energy generation best benefit the  
13 State when they can be produced locally. Further, it is in the  
14 interests of the State to promote the long-term viability of its  
15 agriculture by establishing incentives that will reward  
16 agricultural activities that contribute to the production of  
17 renewable energy sources.



1           The purpose of this Act is to establish incentives for  
2 agricultural activities leading to renewable energy production.

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

5           " ~~[+]§269-94~~ **Waivers, extensions, and incentives.** ~~[+]~~ (a)

6 Any electric utility company not meeting the renewable portfolio  
7 standard shall report to the public utilities commission within  
8 ninety days following the goal dates established in section  
9 ~~[+]269-92~~ ~~[+]~~, and provide an explanation for not meeting the  
10 renewable portfolio standard. The public utilities commission  
11 shall have the option to either grant a waiver from the  
12 renewable portfolio standard or an extension for meeting the  
13 prescribed standard.

14           The public utilities commission may provide incentives to  
15 encourage electric utility companies to exceed their renewable  
16 portfolio standards or to meet their renewable portfolio  
17 standards ahead of time, or both~~[-]~~, including but not limited  
18 to:

- 19           (1) Establishing a preferential rate structure for  
20           electricity generated from renewable energy resources  
21           by producers engaged in agricultural activities;



1        (2) Creating a renewable energy credit trading program  
2                which establishes a value for all of the attributes  
3                associated with renewable energy production; and

4        (3) Providing credit for environmental services such as  
5                improving air and water quality, flood control,  
6                wildlife habitat areas, and carbon sequestration.

7        (b) For the purposes of this section, solar photovoltaic,  
8        solar thermal, biomass, biogas, biofuel, wind, geothermal, low  
9        impact hydropower, and renewable resource fuel cell energy  
10       sources are eligible for the incentives provided under this  
11       section."

12       SECTION 3. Statutory material to be repealed is bracketed  
13       and stricken. New statutory material is underscored.

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

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INTRODUCED BY: \_\_\_\_\_

*CPM He*  
**BY REQUEST**



**Report Title:**

Electricity; Agricultural Producers

**Description:**

Requires the public utilities commission to establish a preferential rate structure for electricity provided by agricultural producers.

