

JAN 21 2011

A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY.

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

1 SECTION 1. The legislature finds that the achievement of
2 energy security, economic development, and a reduction in carbon
3 emissions are in the interest of the citizens of Hawaii. Net
4 energy metering advances each of these goals, and does so in a
5 manner that marshals substantial federal moneys and private
6 capital.

7 The legislature finds that net energy metering should
8 persist even if the public utilities commission establishes
9 alternative compensation systems for distributed power
10 generators, such as feed-in tariffs, because net energy metering
11 serves a different need in the renewable energy marketplace.

12 The legislature further finds that there is no technical
13 justification for setting net energy metering project size
14 limits at the current statutory maximum of one hundred
15 kilowatts. Other utility procurement mechanisms for distributed
16 renewable energy generating systems, including feed-in tariff
17 and standard interconnection, have no such limits or are capped
18 at dramatically higher levels.



1 The legislature further finds that net energy metering
2 should be perpetuated regardless of the introduction and uptake
3 level of alternative distributed generation procurement
4 programs. Additionally, customer-generators with net energy
5 metering contracts should be allowed to maintain those existing
6 contracts.

7 In conclusion, the legislature finds that the net energy
8 metering program should be expanded. This Act applies only to
9 investor-owned utilities.

10 SECTION 2. Section 269-101.5, Hawaii Revised Statutes, is
11 amended to read as follows:

12 "~~[+]~~**\$269-101.5**~~[+]~~ **Maximum capacity of eligible customer-**
13 **generator.** The eligible customer-generator shall have a
14 capacity of not more than ~~[fifty kilowatts,]~~ two megawatts;
15 provided that the public utilities commission may increase the
16 maximum allowable capacity that eligible customer-generators may
17 have to an amount greater than ~~[fifty kilowatts]~~ two megawatts
18 by rule or order."

19 SECTION 3. Section 269-102, Hawaii Revised Statutes, is
20 amended by amending subsection (a) to read as follows:

21 "(a) Every electric utility shall develop a standard
22 contract or tariff providing for net energy metering and shall



1 make this contract available to eligible customer-generators,
2 upon request, on a first-come-first-served basis [~~until the time~~
3 ~~that the total rated generating capacity produced by eligible~~
4 ~~customer generators equals .5 per cent of the electric utility's~~
5 ~~system peak demand; provided that the public utilities~~
6 ~~commission may modify, by rule or order, the total rated~~
7 ~~generating capacity produced by eligible customer generators;~~
8 ~~provided further that the public utilities commission shall~~
9 ~~ensure that a percentage of the total rated generating capacity~~
10 ~~produced by eligible customer generators shall be reserved for~~
11 ~~electricity produced by eligible residential or small commercial~~
12 ~~customer generators. The public utilities commission may~~
13 ~~define, by rule or order, the maximum capacity for eligible~~
14 ~~residential or small commercial customer generators.~~
15 ~~Notwithstanding the generating capacity requirements of this~~
16 ~~subsection, the public utilities commission may evaluate, on an~~
17 ~~island by island basis, the applicability of the generating~~
18 ~~capacity requirements of this subsection and, in its discretion,~~
19 ~~may exempt an island or a utility grid system from the~~
20 ~~generating capacity requirements]."~~

21 SECTION 4. Section 269-110, Hawaii Revised Statutes, is
22 amended to read as follows:



1 "§269-110 Termination by eligible customer-generators. If
2 an eligible customer-generator terminates the customer
3 relationship with the electric utility, the electric utility
4 shall reconcile the eligible customer-generator's consumption
5 and production of electricity, including any unused credits for
6 excess electricity from the eligible customer-generator carried
7 over from prior months, for the period following the last
8 twelve-month reconciliation period to the date of termination of
9 the relationship, according to the requirements set forth in
10 this part.

11 If the public utilities commission, at any time,
12 establishes alternative mechanisms for crediting or otherwise
13 compensating eligible customer-generators for exported power,
14 eligible customer-generators with existing net energy metering
15 contracts shall have the option of maintaining those existing
16 net energy metering contracts rather than converting to new
17 alternative credits or compensation mechanisms."

18 SECTION 5. Section 269-104, Hawaii Revised Statutes, is
19 repealed.

20 ~~["§269-104 Additional customer-generators.~~
21 ~~Notwithstanding section 269-102, an electric utility is not~~
22 ~~obligated to provide net energy metering to additional customer-~~



1 ~~generators in its service area when the combined total peak~~
 2 ~~generating capacity of all eligible customer generators served~~
 3 ~~by all the electric utilities in that service area furnishing~~
 4 ~~net energy metering to eligible customer generators equals .5~~
 5 ~~per cent of the system peak demand of those electric utilities;~~
 6 ~~provided that the public utilities commission may increase, by~~
 7 ~~rule or order, the allowable percentage of the electric~~
 8 ~~utility's system peak demand produced from eligible customer~~
 9 ~~generators in the electric utility's service area, whereupon the~~
 10 ~~electric utility will be obligated to provide net energy~~
 11 ~~metering to additional eligible customer generators in that~~
 12 ~~service area up to the increased percentage amount."]~~

13 SECTION 6. Statutory material to be repealed is bracketed
 14 and stricken. New statutory material is underscored.

15 SECTION 7. This Act shall take effect upon its approval.

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Report Title:

Net Energy Metering; Renewable Energy; Public Utilities
Commission

Description:

Increases the net metering system size cap to two megawatts.
Ensures that net metering contracts cannot be canceled with the
introduction of new distributed generation energy procurement
programs. Eliminates the overall net energy metering program
cap based on share of peak utility load.

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