
A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY TRANSMISSION CABLE.

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

1 SECTION 1. The legislature finds that one of the key
2 elements to the implementation of Hawaii's energy policy is the
3 desire for fixed-price indigenous renewable resources to hedge
4 against rising oil prices. For the State to meet its clean
5 energy objectives, hundreds of megawatts of fixed price
6 renewable energy must be developed in the near term.

7 For the past several years the State of Hawaii, with the
8 support and assistance of the federal government and Hawaiian
9 Electric Company, has been exploring the technical, engineering,
10 economic, and financial feasibility of an interisland undersea
11 electrical transmission cable system that would be capable of
12 transmitting wind generated electric energy from Maui county to
13 Oahu to meet the State's renewable portfolio standard. The
14 results of these extensive analyses have concluded that an



1 undersea cable system is technically feasible, cost-effective
2 and financially viable to serve the public's interest and
3 benefit.

4 Act 155, Session Law Hawaii 2009, codified as section 269-
5 92, Hawaii Revised Statutes, increased the 2020 renewable
6 portfolio standard mandatory target from twenty per cent to
7 twenty-five per cent, and added a new forty per cent requirement
8 for the year 2030, making it one of the most aggressive
9 renewable portfolio standards in the nation. In addition, prior
10 to January 1, 2015, only fifty per cent of a utility's renewable
11 portfolio standard needs to be met by electrical generation
12 using renewable energy as the source. However, after January 1,
13 2015, an electric utility company's entire renewable portfolio
14 standard will be required to be met by renewable energy
15 generation.

16 To achieve these renewable portfolio standard targets,
17 electric utility companies need to move forward with a no
18 regrets strategy using technologies that are:



- 1
2 (1) Mature and commercially available;
3 (2) Capable of being developed within a near-term horizon;
4 (3) Available on a large scale; and
5 (4) Used to generate electricity to be delivered to
6 Hawaii's load centers.

7 At this time only technologies that use solar and wind resources
8 fit this criteria.

9 Economic analyses have shown that harnessing wind resources
10 has proven to be a relatively cost-effective means for helping
11 to meet Hawaii's energy policy objectives. The cost of the
12 energy delivered to the load center is expected to be at-or-
13 below the cost of other commercially available large scale
14 renewable resources in the near-term and at-or-below the cost of
15 petroleum-based generation in the longer-term.

16 Wind resources, while limited on Oahu, is abundant on the
17 neighbor islands of Lanai and Molokai. Lanai or Molokai wind
18 projects totaling four hundred megawatts of capacity have the
19 potential to produce energy in the range of one thousand five
20 hundred gigawatt hours of electricity annually given the
21 expected capacity factors for large scale wind farms on these



1 islands. For the aforementioned reasons, to contribute to
2 attaining renewable portfolio standard goals, strategies to link
3 Oahu's demand to abundant on-island wind and solar resources as
4 well as fixed-price wind from the neighbor islands of Molokai
5 and Lanai are being pursued.

6 The legislature further finds that electrical services on
7 the islands of Oahu, Maui, Molokai, Lanai, and Hawaii are
8 provided by affiliated, franchised electric utility companies,
9 however, none of the electric utility systems on these islands
10 are electrically interconnected to the electric utility system
11 on any other island.

12 Interconnecting undersea high-voltage transmission cables
13 to an electric utility system will require the electric utility
14 company to install on-island transmission infrastructure. Given
15 the cost of the on-island transmission infrastructure, the need
16 to have the on-island infrastructure available when the undersea
17 high-voltage transmission cables commence commercial operations,
18 and the potential acquisition cost of the undersea high-voltage
19 transmission cables, it may be beneficial to allow an electric
20 utility company to acquire the undersea high-voltage
21 transmission cables at the commencement of commercial



1 operations, or at some point in time after the commencement of
2 commercial operations.

3 The legislature further finds that specific cost recovery
4 provisions should be added to the public utility law as an
5 option to address the capital cost of developing the high-
6 voltage electric transmission cable to minimize the electric
7 utility companies' existing rate bases and that the electric
8 utility's credit quality, which is essential to the development
9 of non-electric utility renewable energy projects in Hawaii, may
10 be negatively impacted unless these recovery provisions are
11 clearly permissible in the public utility law.

12 Therefore, the legislature finds that it may be in the
13 public's interest that undersea transmission cables are
14 installed by a non-utility investor that assumes financial
15 responsibility for the project until it can achieve commercial
16 availability such as those in New York, California, and other
17 places around the world. Accordingly, the purpose of this Act
18 is to establish the regulatory structure under which inter-
19 island undersea transmission cables could be developed,
20 financed, and constructed on commercially reasonable terms.

21 Lastly, the legislature finds that the development of
22 large-scale renewable energy projects will impact the



1 communities on which the projects are located, and that at least
2 some of the environmental review processes conducted as part of
3 the permitting process for the projects will occur after the
4 public utilities commission would need to act on a cable
5 certification application. To foster communication with the
6 affected communities and the commission, the legislature finds
7 it necessary to incorporate a requirement that the public
8 utilities commission hold a public hearing on each island
9 connected by the high-voltage electric transmission cable system
10 for the purposes of obtaining comments and input from interested
11 parties.

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

15 "PART . INTERISLAND TRANSMISSION SYSTEM

16 §269-A Definitions. As used in this part:

17 "Cable acquisition cost" means the electric utility's
18 costs, including reasonable transaction costs, to acquire a
19 high-voltage electric transmission cable system pursuant to a
20 turnkey cable contract or a cable purchase contract.

21 "Cable company" means any person, company, corporation, or
22 entity who is selected through a request for proposals, or other



1 process approved by the commission, to be a certified cable
2 company applicant.

3 "Cable purchase contract" means a contract to purchase a
4 high-voltage electric transmission cable system at or after it
5 achieves commercial operations.

6 "Cable surcharge" means the surcharge approved by the
7 commission pursuant to section 269-D.

8 "Certified cable company" means any person or persons,
9 company, corporation or entity who own or control a high-voltage
10 electric transmission cable system; provided that the person or
11 persons, company, corporation or entity receives a certificate
12 of public convenience and necessity from the commission pursuant
13 to section 269-B.

14 "Commercial operations" means the period after the high-
15 voltage electric transmission cable system:

16 (1) Passes acceptance tests approved by the commission, as
17 determined by a qualified independent engineer
18 approved by the commission; and

19 (2) Meets such other criteria as the commission determines
20 as reasonable.

21 If the primary source or sources of the renewable electricity
22 that will be transmitted to an electric utility company or



1 companies using the high-voltage electric transmission cable
2 system will be provided pursuant to a power purchase agreement
3 or agreements between that electric utility company or companies
4 and an owner or owners of a new renewable generation facility or
5 facilities, the commission shall consider and may include
6 criteria that address whether and to what extent the intended
7 source of renewable energy is available to be transmitted, in
8 determining the commercial operations date of the high voltage
9 electric transmission cable system.

10 "Commercial operations date" means the date upon which the
11 high-voltage electric transmission cable system begins
12 commercial operations.

13 "Commission" means the public utilities commission
14 established pursuant to section 269-2.

15 "Cost" means all capital investments, including rate of
16 return, any applicable taxes, and all expenses, including
17 capacity payments and operation and maintenance expenses,
18 related to or resulting from the planning, licensing,
19 permitting, designing, development, construction, or operation
20 of a high-voltage electric transmission cable system.

21 "Cost effective" means the same as defined in section
22 269-91.



1 "Development period" means the period of time after the
2 certified transmission entity has been granted a certificate of
3 public convenience and necessity, but before commercial
4 operations.

5 "Electric utility company" means a public utility as
6 defined under section 269-1, for the production, conveyance,
7 transmission, delivery, or furnishing of electric power.

8 "Electric utility system" means the electric system owned
9 and operated by an electric utility company, including any non-
10 utility owned facilities that are interconnected to the system,
11 consisting of power plants, transmission and distribution lines,
12 and related equipment for the production and delivery of
13 electric power to the public.

14 "Energy Resources Coordinator" shall be as defined in
15 section 196-3.

16 "Expected commercial operations date" means the date
17 reasonably determined by the certified cable company for the
18 high-voltage electric transmission cable system to commence
19 commercial operations.

20 "High-voltage electric transmission cable system" means a
21 one hundred twenty kilovolt or greater electric transmission
22 alternating current (AC) or direct current (DC) transmission



1 cables constructed undersea, including connected transmission
2 cable or cables or lines installed on land, connecting the
3 electric utility systems on two or more islands or allowing for
4 the transmission of power from one or more renewable generation
5 facilities to the electric utility system located on another
6 island, AC substations, or AC/DC converter stations, fiber optic
7 communication cables, and other appurtenant facilities.

8 "On-island transmission infrastructure" means the
9 modifications and additions to the existing alternating current
10 (AC) transmission grid on an island and other electric utility
11 system modifications needed to reliably interconnect a high-
12 voltage electric transmission cable system to an electric
13 utility system, and to reliably accept power generated from
14 large-scale renewable generation facilities transmitted via the
15 high-voltage electric transmission cable system interconnecting
16 two or more islands' electric utility systems.

17 "Power purchase agreement" means an agreement between an
18 electric utility company and the developer of a renewable
19 generation facility to sell the power generated by the facility
20 to the electric utility company.



1 "Predevelopment period" means the period of time before the
2 certified transmission entity has been granted a certificate of
3 public convenience and necessity.

4 "Project-on-project financing risk" refers to mutually
5 dependent projects, whose risk of completion, and therefore,
6 financing, is dependent on each other, as in the case of a high-
7 voltage electric transmission cable system intended to connect a
8 renewable generation facility to the electric utility system,
9 for example, where the uncertainty as to whether the renewable
10 generation facility can be financed or built results in
11 increased risk for the high-voltage electric transmission cable
12 project because it is not viable without a source of energy to
13 transmit, and vice versa.

14 "Renewable electricity" means electrical energy generated
15 using renewable energy as the source.

16 "Renewable energy" has the same meaning as in section
17 269-91.

18 "Renewable generation facility" means a facility generating
19 electrical energy using renewable energy as the primary source.

20 "Renewable portfolio standard" has the same meaning as in
21 section 269-91.



1 "Request For proposals" means the request for proposals
2 developed jointly by the electric company or companies and the
3 State energy resources coordinator or its designee, issued
4 pursuant to a competitive bidding process authorized by the
5 commission to select a certified cable company and conducted by
6 the electric utility company or companies to which the capacity
7 of a high-voltage electric transmission cable system will be
8 made available. The State energy resources coordinator shall be
9 a member of the selection committee that will review and
10 evaluate the proposals.

11 "Turnkey cable contract" means a contract entered into
12 pursuant to a Request For Proposal, under which a cable company
13 designs, builds, and transfers a high-voltage electric
14 transmission cable system to an electric utility company upon
15 commencement of commercial operations.

16 **§269-B Certification.** (a) Prior to installing a high-
17 voltage electric transmission cable system, a cable company
18 shall be certified by the commission as a public utility
19 pursuant to section 269-7.5. A certified cable company
20 applicant shall be selected through a Request For Proposals
21 process, or other process, approved by the commission.



1 (b) Notwithstanding any provision of section 269-7.5 to
2 the contrary:

3 (1) In any application for a certificate of public
4 convenience and necessity for a high-voltage electric
5 transmission cable system, the commission shall
6 approve, disapprove, or approve subject to conditions
7 and issue a final order within one hundred eighty days
8 after the application is filed; provided that the
9 commission may extend the timeline as necessary;

10 (2) In determining whether the applicant is financially
11 fit, the commission may allow for the use of
12 commercially reasonable non-recourse project financing
13 for the high-voltage electric transmission cable
14 system;

15 (3) In determining whether the proposed transmission
16 capacity service is, or will be, required by the
17 present or future public convenience and necessity,
18 the commission shall determine whether the high-
19 voltage electric transmission cable system would be a
20 cost effective means of:

21 (A) Interconnecting two or more electric utility
22 systems; or



1 (B) Helping one or more electric utility companies
2 meet the applicable renewable portfolio standard;
3 or

4 (C) Achieving other considerations as the commission
5 may deem appropriate.

6 (4) If the primary source or sources of the renewable
7 electricity that will be transmitted to an electric
8 utility company or companies using the high-voltage
9 electric transmission cable system will be provided
10 pursuant to a power purchase agreement or agreements
11 between an electric utility company or companies and
12 an owner or owners of a new renewable generation
13 facility or facilities, the commission shall take into
14 consideration, among other factors:

15 (A) The status of the power purchase agreement or
16 agreements;

17 (B) The extent to which the project-on-project
18 financing risk of the high-voltage electric
19 transmission cable system and the associated
20 renewable generation facilities is materially
21 reduced through agreements between the cable
22 company and the owner or owners of the renewable



1 generation facilities holding the power purchase
2 agreement or agreements, or through common
3 ownership arrangements; and

4 (C) The extent to which the cable company assumes
5 financial responsibility for the high-voltage
6 electric transmission cable system until both the
7 cable system and the new generation facility or
8 facilities have achieved commercial operations;

9 (5) In the certification process, the commission shall
10 review and determine ratemaking principles
11 appropriate, and applicable to the high-voltage
12 electric transmission cable system during commercial
13 operations. The ratemaking principles will be used in
14 determining the certified cable company's revenue
15 requirement used to determine its transmission
16 capacity charges, and may be used to fix the capital
17 investment costs for the high-voltage electric
18 transmission cable system upon which the certified
19 cable company will be allowed to earn an authorized
20 rate of return, and the operating costs that may be
21 included in the certified cable company's revenue
22 requirement;



1 (6) In determining the authorized rate of return for the
2 certified cable company, the commission may consider
3 the risks assumed by a certified cable company during
4 the predevelopment, development, and commercial
5 operations periods related to, or resulting from, the
6 development, financing, construction, and operation of
7 the high-voltage electric transmission cable system,
8 including other factors deemed relevant and
9 appropriate by the commission such as the terms and
10 conditions of the transmission tariff as may be
11 approved by the commission; and

12 (7) Prior to approving the application for certification,
13 the commission shall hold a public hearing on each
14 island connected by the high-voltage electric
15 transmission cable system to obtain comments and input
16 from the affected communities about the high-voltage
17 electric transmission cable system.

18 **§269-C Transmission tariff.** The commission shall, by
19 order, approve, disapprove, or approve subject to conditions,
20 the tariff of the certified cable company. Thereafter, the
21 certified cable company shall make the capacity of its high-
22 voltage electric transmission cable system available to the



1 electric utility company or companies. The tariff shall be
2 consistent with the tariff provisions resulting from the Request
3 For Proposal. The tariff shall specify the terms and conditions
4 under which the certified cable company will be entitled to
5 receive revenues collected through the cable surcharge. The
6 certified cable company may submit its proposed tariff for
7 approval prior to the expected commercial operations date, and
8 the commission shall take final action on the proposed tariff
9 within one hundred twenty days after submittal of the proposed
10 tariff with any supporting documentation as may be required by
11 the commission; provided the commission may extend the timeline
12 as necessary.

13 **§269-D Surcharge.** (a) The commission shall establish a
14 cable surcharge to allow recovery of the high-voltage electric
15 transmission cable system costs designated for recovery
16 according to the ratemaking principles determined by the
17 commission pursuant to section 269-B.

18 (b) Pursuant to the tariff described in section 269-C, the
19 commission shall designate by order, the electric utility
20 company or companies, to which the capacity of the high-voltage
21 electric transmission cable system is made available as the
22 agent of the certified cable company to collect the surcharge



1 approved by the commission. The electric utility company or
2 companies collecting the cable surcharge for the benefit of the
3 certified cable company shall have no right, title, or interest
4 in such moneys. The commission shall approve the fee to be
5 collected by the electric utility company or companies through
6 the same cable surcharge for acting as the collection agent for
7 the certified cable company.

8 (c) Notwithstanding any requirements to the contrary or
9 any other provision in this chapter, a high-voltage electric
10 transmission cable system shall be deemed "used or useful for
11 public utility purposes" upon commencing commercial operations,
12 subject to the commission's determination and approval.

13 **§269-E Electric utility company acquisition of cable**
14 **system.** (a) The commission may approve an electric utility
15 company's acquisition of a high-voltage electric transmission
16 cable system pursuant to a commission-approved turnkey cable
17 contract or a cable purchase contract.

18 (b) In the case of a turnkey cable contract, the
19 commission shall review and approve, disapprove, or approve
20 subject to conditions, the contract upon application filed by
21 the electric utility company.



1 (c) In the case of a cable purchase contract, the
2 commission shall review and approve, disapprove, or approve
3 subject to conditions, the option to purchase in the same
4 proceeding in which the commission also reviews and approves an
5 application for a certificate of public convenience and
6 necessity for a cable company providing the option to purchase,
7 or a power purchase agreement containing the option to purchase.
8 The commission shall review and approve, disapprove, or approve
9 subject to conditions, the cable purchase contract resulting
10 from exercise of the option to purchase upon an application
11 filed by the electric utility company proposing to acquire the
12 high-voltage electric transmission cable system.

13 **§269-F Recovery of electric utility company capital costs.**

14 (a) An electric utility company shall be entitled to recover
15 the company's revenue requirement approved by the commission
16 resulting from the costs that the company prudently incurs in
17 acquiring a high-voltage electric transmission cable system
18 throughout the commercial operations period after the high
19 voltage electric transmission cable system is acquired; provided
20 that the acquisition is approved by the commission.

21 (b) An electric utility company shall be entitled to
22 recover, through an automatic adjustment clause, the company's



1 revenue requirement resulting from the capital costs that the
2 company prudently incurs for on-island transmission
3 infrastructure; provided that the commission has approved the
4 electric utility company's commitment of capital expenditure
5 costs for the project.

6 (c) To provide for timely recovery of the revenue
7 requirement, the commission shall establish a separate automatic
8 adjustment clause, as defined in section 269-16, or modify an
9 existing automatic adjustment clause. The use of the automatic
10 adjustment clause to recover the revenue requirement shall be
11 allowed to continue until the revenue requirement is
12 incorporated in rates in an electric utility company's rate
13 case.

14 (d) The electric utility company's revenue requirement
15 includes:

16 (1) The commission approved rate of return, as set in the
17 electric utility company's last rate case, on the
18 electric utility company's net investment in the high-
19 voltage electric transmission cable system from the
20 acquisition date of the high-voltage electric
21 transmission cable system, and in the on-island
22 transmission infrastructure from the date the on-



1 island transmission infrastructure is completed and
2 available for service;

3 (2) Depreciation; and

4 (3) Revenue taxes and other relevant costs as approved by
5 the commission.

6 (e) The electric utility company's net investment includes
7 the cable acquisition cost in the case of the high-voltage
8 electric transmission cable system and the costs of planning,
9 permitting, and constructing the on-island transmission
10 infrastructure, including an allowance for funds used during
11 construction when the utility finances the planning, permitting,
12 and construction costs, less accumulated depreciation and
13 associated unamortized deferred income taxes.

14 (f) The on-island transmission infrastructure will need to
15 be available for service before the commercial operations date
16 for the high-voltage electric transmission cable system.

17 Notwithstanding any other provision in chapter 269, at the time
18 the commission approves the electric utility company's
19 commitment of capital expenditure costs for the project, the
20 commission may either allow the electric utility company to
21 recover its approved revenue requirement resulting from the
22 capital costs that it prudently incurs for on-island



1 infrastructure at the time that the infrastructure is available
2 for service, or may allow such company to continue to accrue an
3 allowance for funds used during construction on such prudently
4 incurred capital costs until the commercial operations date for
5 the high-voltage electric transmission system.

6 (g) If the electric utility company elects not to complete
7 the on-island transmission infrastructure, and the commission
8 approves this election, or if the electric utility company is
9 precluded from completing construction of the on-island
10 transmission infrastructure, the electric utility company shall
11 be allowed to recover all costs determined by the commission to
12 have been prudently incurred during the predevelopment and
13 development periods. The electric utility company shall recover
14 these costs through the cable surcharge mechanism over a period
15 equal to the period during which the costs were incurred or five
16 years, whichever is greater."

17 SECTION 3. Chapter 239, Hawaii Revised Statutes, is
18 amended by adding a new section to be appropriately designated
19 and to read as follows:

20 "§239- Surcharge amounts exempt. Amounts received in
21 the form of a cable surcharge by an electric utility company
22 acting on behalf of a certified cable company under section



1 269-D shall not be gross income for the electric utility company
2 for purposes of this chapter. Any amounts retained by the
3 electric utility company for collection or other costs shall not
4 be included in this exemption."

5 SECTION 4. Chapter 240, Hawaii Revised Statutes, is
6 amended by adding a new section to be appropriately designated
7 and to read as follows:

8 "**§240- Surcharge amounts exempt.** Amounts received in
9 the form of a cable surcharge by an electric utility company
10 acting on behalf of an affected certified cable company under
11 section 269-D shall not be counted as gross receipts for the
12 electric utility company for purposes of this chapter. Any
13 amounts retained by the electric utility company for collection
14 or other costs shall not be included in this exemption."

15 SECTION 5. Section 235-7, Hawaii Revised Statutes, is
16 amended by amending subsection (a) to read as follows:

17 "(a) There shall be excluded from gross income, adjusted
18 gross income, and taxable income:

19 (1) Income not subject to taxation by the State under the
20 Constitution and laws of the United States;

21 (2) Rights, benefits, and other income exempted from
22 taxation by section 88-91, having to do with the state



- 1 retirement system, and the rights, benefits, and other
2 income, comparable to the rights, benefits, and other
3 income exempted by section 88-91, under any other
4 public retirement system;
- 5 (3) Any compensation received in the form of a pension for
6 past services;
- 7 (4) Compensation paid to a patient affected with Hansen's
8 disease employed by the State or the United States in
9 any hospital, settlement, or place for the treatment
10 of Hansen's disease;
- 11 (5) Except as otherwise expressly provided, payments made
12 by the United States or this State, under an act of
13 Congress or a law of this State, which by express
14 provision or administrative regulation or
15 interpretation are exempt from both the normal and
16 surtaxes of the United States, even though not so
17 exempted by the Internal Revenue Code itself;
- 18 (6) Any income expressly exempted or excluded from the
19 measure of the tax imposed by this chapter by any
20 other law of the State, it being the intent of this
21 chapter not to repeal or supersede any express
22 exemption or exclusion;



- 1 (7) Income received by each member of the reserve
2 components of the Army, Navy, Air Force, Marine Corps,
3 or Coast Guard of the United States of America, and
4 the Hawaii national guard as compensation for
5 performance of duty, equivalent to pay received for
6 forty-eight drills (equivalent of twelve weekends) and
7 fifteen days of annual duty, at an:
- 8 (A) E-1 pay grade after eight years of service;
9 provided that this subparagraph shall apply to
10 taxable years beginning after December 31, 2004;
- 11 (B) E-2 pay grade after eight years of service;
12 provided that this subparagraph shall apply to
13 taxable years beginning after December 31, 2005;
- 14 (C) E-3 pay grade after eight years of service;
15 provided that this subparagraph shall apply to
16 taxable years beginning after December 31, 2006;
- 17 (D) E-4 pay grade after eight years of service;
18 provided that this subparagraph shall apply to
19 taxable years beginning after December 31, 2007;
20 and



- 1 (E) E-5 pay grade after eight years of service;
2 provided that this subparagraph shall apply to
3 taxable years beginning after December 31, 2008;
- 4 (8) Income derived from the operation of ships or aircraft
5 if the income is exempt under the Internal Revenue
6 Code pursuant to the provisions of an income tax
7 treaty or agreement entered into by and between the
8 United States and a foreign country; provided that the
9 tax laws of the local governments of that country
10 reciprocally exempt from the application of all of
11 their net income taxes, the income derived from the
12 operation of ships or aircraft that are documented or
13 registered under the laws of the United States;
- 14 (9) The value of legal services provided by a prepaid
15 legal service plan to a taxpayer, the taxpayer's
16 spouse, and the taxpayer's dependents;
- 17 (10) Amounts paid, directly or indirectly, by a prepaid
18 legal service plan to a taxpayer as payment or
19 reimbursement for the provision of legal services to
20 the taxpayer, the taxpayer's spouse, and the
21 taxpayer's dependents;



- 1 (11) Contributions by an employer to a prepaid legal
2 service plan for compensation (through insurance or
3 otherwise) to the employer's employees for the costs
4 of legal services incurred by the employer's
5 employees, their spouses, and their dependents;
- 6 (12) Amounts received in the form of a monthly surcharge by
7 a utility acting on behalf of an affected utility
8 under section 269-16.3 shall not be gross income,
9 adjusted gross income, or taxable income for the
10 acting utility under this chapter. Any amounts
11 retained by the acting utility for collection or other
12 costs shall not be included in this exemption; ~~and~~
- 13 (13) One hundred per cent of the gain realized by a fee
14 simple owner from the sale of a leased fee interest in
15 units within a condominium project, cooperative
16 project, or planned unit development to the
17 association of owners under chapter 514A or 514B, or
18 the residential cooperative corporation of the
19 leasehold units.
- 20 For purposes of this paragraph:



1 "Condominium project" and "cooperative project"
2 shall have the same meanings as provided under section
3 514C-1;

4 "Fee simple owner" shall have the same meaning as
5 provided under section 516-1; provided that it shall
6 include legal and equitable owners;

7 "Legal and equitable owner", and "leased fee
8 interest" shall have the same meanings as provided
9 under section 516-1; and

10 ~~["Condominium project" and "cooperative project"~~
11 ~~shall have the same meanings as provided under section~~
12 ~~514C-1.]~~

13 (14) Amounts received in the form of a monthly cable
14 surcharge by an electric utility company acting on
15 behalf of a certified cable company under section
16 269-D shall not be counted as gross income, adjusted
17 gross income, or taxable income for the electric
18 utility company under this chapter. Any amounts
19 retained by the electric utility company for
20 collection or other costs shall not be included in
21 this exemption."



1 SECTION 6. Section 269-30, Hawaii Revised Statutes, is
2 amended to read as follows:

3 **"§269-30 Finances; public utility fee.** (a) Sections 607-
4 5 to 607-9 shall apply to the public utilities commission and
5 each commissioner, as well as to the supreme and circuit courts,
6 and all costs and fees paid or collected pursuant to this
7 section shall be deposited with the director of finance to the
8 credit of the public utilities commission special fund
9 established under section 269-33.

10 (b) There also shall be paid to the public utilities
11 commission in each of the months of July and December of each
12 year, by each public utility subject to investigation by the
13 public utilities commission, a fee equal to one-fourth of one
14 per cent of the gross income from the public utility's business
15 during the preceding year, or the sum of \$30, whichever is
16 greater. This fee shall be deposited with the director of
17 finance to the credit of the public utilities commission special
18 fund.

19 (c) Each public utility paying a fee under subsection (b)
20 may impose a surcharge to recover the amount paid above one-
21 eighth of one per cent of gross income. The surcharge imposed
22 shall not be subject to the notice, hearing, and approval



1 requirements of this chapter; provided that the surcharge may be
2 imposed by the utility only after thirty days' notice to the
3 public utilities commission. Unless ordered by the public
4 utilities commission, the surcharge shall be imposed only until
5 the conclusion of the public utility's next rate case; provided
6 that the surcharge shall be subject to refund with interest at
7 the public utility's authorized rate of return on rate base if
8 the utility collects more money from the surcharge than actually
9 paid due to the increase in the fee to one-fourth of one per
10 cent.

11 (d) Notwithstanding any provision of this chapter to the
12 contrary, the public utilities commission may, upon the filing
13 of a petition by a public utility, credit a public utility for
14 amounts paid under subsection (b) toward amounts the public
15 utility owes in one call center fees under section 269E-6(f).

16 (e) Amounts received in the form of a cable surcharge by
17 an electric utility company acting on behalf of a certified
18 cable company under section 269-D shall not be counted as gross
19 income for the electric utility company for purposes of this
20 section. Any amounts retained by the electric utility company
21 for collection or other costs shall not be included in this
22 exemption."



1 SECTION 7. In codifying the new sections added by section
2 2 of this Act, the revisor of statutes shall substitute
3 appropriate section numbers for the letters used in designating
4 the new sections in this Act.

5 SECTION 8. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 9. This Act shall take effect on July 1, 2011.



Report Title:

Renewable Energy; Transmission Cable

Description:

Establishes the regulatory structure under which inter-island undersea energy transmission cables could be commercially developed, financed, and constructed. Effective July 1, 2011. (HB1176 HD2)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

