
A BILL FOR AN ACT

RELATING TO PUBLIC UTILITIES.

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

1 SECTION 1. The legislature finds that in trying to
2 transition to a clean energy economy by 2030, much focus is
3 being placed on meeting the renewable portfolio standards
4 mandate. However, unless there are major technological
5 breakthroughs, it is anticipated that in 2030, sixty per cent of
6 electricity generation will come from fossil fuels. During the
7 past year, the high cost of oil has severely impacted
8 electricity ratepayers. Achieving a clean energy economy
9 requires a multi-pronged approach, being aggressive in the
10 development of renewable energy resources, promoting energy
11 efficiency, and minimizing the use and cost of energy generated
12 from fossil fuels.

13 The purpose of this Act is to direct the public utilities
14 commission, in performing its general powers and duties, to
15 consider the need for a diverse portfolio of fossil fuel
16 resources and to maximize the efficiency of utility generation
17 assets to mitigate supply disruptions and cost impacts on
18 electricity ratepayers.



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

3 **"§269-6 General powers and duties.** (a) The public
4 utilities commission shall have the general supervision
5 hereinafter set forth over all public utilities, and shall
6 perform the duties and exercise the powers imposed or conferred
7 upon it by this chapter. Included among the general powers of
8 the commission is the authority to adopt rules pursuant to
9 chapter 91 necessary for the purposes of this chapter.

10 (b) The public utilities commission shall consider the
11 need to reduce the State's reliance on fossil fuels through
12 energy efficiency and increased renewable energy generation in
13 exercising its authority and duties under this chapter. In
14 making determinations of the reasonableness of the costs of
15 utility system capital improvements and operations, the
16 commission shall explicitly consider, quantitatively or
17 qualitatively, the effect of the State's reliance on fossil
18 fuels on price volatility, export of funds for fuel imports,
19 fuel supply reliability risk, and greenhouse gas emissions. The
20 commission may determine that short-term costs or direct costs
21 that are higher than alternatives relying more heavily on fossil



1 fuels are reasonable, considering the impacts resulting from the
2 use of fossil fuels.

3 (c) In exercising its authority and duties under this
4 chapter, the public utilities commission shall consider the
5 costs and benefits of a diverse fossil fuel portfolio and of
6 maximizing the efficiency of all electric utility assets to
7 lower and stabilize the cost of electricity. Nothing in this
8 section shall subvert the obligation of electric utilities to
9 meet the renewable portfolio standards set forth in section
10 269-92.

11 [~~e~~] (d) The chairperson of the commission may appoint a
12 hearings officer, who shall not be subject to chapter 76, to
13 hear and recommend decisions in any proceeding before it other
14 than a proceeding involving the rates or any other matters
15 covered in the tariffs filed by the public utilities. The
16 hearings officer shall have the power to take testimony, make
17 findings of fact and conclusions of law, and recommend a
18 decision; provided that the findings of [~~act,~~] fact, the
19 conclusions of law, and the recommended decision shall be
20 reviewed and may be approved by the commission after notice to
21 the parties and an opportunity to be heard. The hearings



1 officer shall have all of the above powers conferred upon the
2 public utilities commission under section 269-10."

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

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



Report Title:

Public Utilities Commission; Electric Utility Rates

Description:

Requires the Public Utilities Commission, in exercising its authority and duties, to consider the costs and benefits of a diverse fossil fuel portfolio and of maximizing the efficiency of all electric utility assets to lower and stabilize the cost of electricity, without subverting the electric utilities' obligation to meet renewable portfolio standards. (SD2)

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