
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 it is a role of
2 government to identify state resources that should be used to
3 provide economic development for the citizens of the State. The
4 legislature further finds that the increased use of renewable
5 energy creates a conflict of interest for public utilities that
6 distribute electricity and also own facilities that generate
7 electricity using fossil fuels. Replacing firm power fossil
8 fuel-based electricity generation facilities with firm power
9 facilities that use renewable sources to generate electricity
10 would impact the overall size and profitability of certain
11 investor-owned public utilities. However, these public
12 utilities can adapt to Hawaii's changing energy needs and build
13 renewable energy power plants to replace existing fossil fuel-
14 based power plants. Further, these public utilities can adjust
15 their strategy to acknowledge that their future success in
16 Hawaii depends on their ability to be effective smart-grid
17 managers and operators.



1 The legislature also finds that public utilities that
2 supply electricity initiate and control the request for proposal
3 process that adds demand capacity. This process initiates the
4 demand in Hawaii's energy market and, in essence, becomes the
5 State's energy plan. The legislature finds that the public
6 utilities commission must take a more active role in the
7 planning process by ensuring that electric utilities' integrated
8 resource plans include plans to replace existing plants that
9 generate electricity using fossil fuels.

10 The legislature finds that the State's focus on electricity
11 generation must be on commercially available, Hawaii-based
12 resources and technologies. Geothermal, waste-to-energy, and
13 hydroelectric renewable electricity generation resources and
14 technologies are commercially available. Ocean thermal energy
15 conversion, wave energy, and biofuels based energy, while
16 innovative, remain in a research-and-development phase or a
17 demonstration phase and are not commercially available at this
18 time or in the near future.

19 The purpose of this Act is to direct public utilities that
20 supply electricity to expedite the development of geothermal
21 resources and other indigenous renewable resources for the
22 production of electricity.



1 SECTION 2. (a) The public utilities commission shall
2 direct public utilities that provide electricity to the public
3 to include in their integrated resource plans scenarios to
4 replace firm power from fossil fuel-based electricity generation
5 with firm power from electricity generation using indigenous,
6 renewable sources.

7 (b) The public utilities commission shall direct public
8 utilities that supply electricity to the public to develop the
9 following scenarios as part of their integrated resource plans:

- 10 (1) Developing facilities that generate electricity using
11 geothermal steam on existing geothermal resource
12 subzones to replace or mitigate the use of fossil
13 fuel-based electricity generation facilities;
- 14 (2) Modifying existing power purchase agreements with
15 independent power producers that contain avoided cost
16 provisions from the existing contract to a replacement
17 power purchase agreement that eliminates any avoided
18 cost provision, but allows the expansion of capacity
19 or purchased power to a term acceptable by all
20 parties, as approved by the public utilities
21 commission;



- 1 (3) Developing waste-to-energy electricity generation
- 2 facilities to replace or mitigate the use of fossil
- 3 fuel-based electricity generation facilities; and
- 4 (4) Replacing all existing fossil fuel-based electricity
- 5 generation facilities on a given island and developing
- 6 excess firm or intermittent electricity for
- 7 transmission to other islands, including plans to
- 8 develop undersea electricity transmission cables to
- 9 support transmission and distribution of electricity
- 10 between the islands.

11 SECTION 3. The public utilities commission shall submit a

12 report to the legislature not later than twenty days prior to

13 the convening of the 2013 regular session on the actions taken

14 by the commission to effectuate this Act. The report shall

15 include findings, recommendations, and any proposed legislation

16 necessary to further the purposes of this Act.

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



Report Title:

Public Utilities Commission; Development of Renewable Energy Sources; Geothermal Resources

Description:

Requires the PUC to direct electric utilities to include plans to utilize indigenous, renewable energy sources, including geothermal resources, capable of producing firm power when crafting integrated resource plans. (SD1)

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