



GOV. MSG. NO. 1134

EXECUTIVE CHAMBERS
HONOLULU

NEIL ABERCROMBIE
GOVERNOR

April 22, 2013

The Honorable Donna Mercado Kim,
President
and Members of the Senate
Twenty-Seventh State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Joseph M. Souki,
Speaker and Members of the
House of Representatives
Twenty-Seventh State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kim, Speaker Souki, and Members of the Legislature:

This is to inform you that on April 22, 2013, the following bill was signed into law:

SB1040

RELATING TO ELECTRIC SYSTEMS
ACT 034 (13)

NEIL ABERCROMBIE
Governor, State of Hawaii

S.B. NO. 1040

JAN 24 2013

A BILL FOR AN ACT

RELATING TO ELECTRIC SYSTEMS.

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

1 SECTION 1. Hawaii's progress toward the widespread use of
2 renewable energy requires modernized electrical infrastructure
3 supported by nimble, robust technology capable of servicing the
4 evolving needs of the grid. Advanced grid modernization
5 technology offers numerous benefits in the face of heavy
6 renewable energy penetration that include increased electrical
7 system reliability and operational efficiency from enhanced
8 system responsiveness and interoperability at the transmission
9 level and below, as well as improved customer energy efficiency
10 practices encouraged by the availability of timely end use
11 energy information. In addition, the increased scale, speed,
12 and accuracy of the information provided by advanced grid
13 infrastructure systems can better support initiatives to break
14 the State's petroleum dependence, such as increased distributed
15 generation and demand response programs. Electricity providers
16 on Maui and Kauai have already begun deploying advanced
17 residential metering technology with the support of substantial
18 federal funding, but the State lacks a unifying policy for the

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1 implementation of advanced grid modernization technology. The
2 State's achievements in strengthening the Hawaii electric system
3 - including the continued development and potential delivery of
4 increased renewable energy resources across the islands, as well
5 as the ongoing creation of transparent, effective system rules -
6 must be accompanied by policies for a comprehensive enhancement
7 of all aspects of the system, including the implementation of
8 advanced grid modernization technology.

9 The purpose of this Act is to establish a policy for the
10 State of Hawaii in support of the implementation of advanced
11 grid modernization technology.

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

15 "§269- Advanced grid modernization technology;
16 principles. The commission, in carrying out its
17 responsibilities under this chapter, shall consider the value of
18 improving electrical generation, transmission, and distribution
19 systems and infrastructure within the State through the use of
20 advanced grid modernization technology in order to improve the
21 overall reliability and operational efficiency of the Hawaii
22 electric system."

1 SECTION 3. Section 269-141, Hawaii Revised Statutes, is
2 amended by adding a new definition to be appropriately inserted
3 and to read as follows:

4 "Advanced grid modernization technology" means equipment,
5 facilities, and associated processes that individually or
6 collectively function to improve the reliability, resiliency,
7 flexibility, and efficiency of the Hawaii electric system.
8 Advanced grid modernization technology provides functional
9 characteristics that improve the operational capability of the
10 Hawaii electric system, including but not limited to automatic
11 restoration of electrical service in response to power
12 disturbance events, greater enabling of participation in utility
13 customer programs, resilient operation against both physical and
14 cyber-based attacks, the ability to satisfy power quality
15 requirements of new technologies and end users, accommodation of
16 energy generation and storage choices, enabling of innovative
17 products and services in electricity markets, improving customer
18 energy efficiency practices encouraged by the availability of
19 timely energy use information, and optimization of assets and
20 improving the operational efficiency of the Hawaii electric
21 system."


22 SECTION 4. New statutory material is underscored.

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

APPROVED this 22 day of APR, 2013

A handwritten signature in black ink, appearing to read "Neil Abernethy". The signature is written in a cursive, flowing style.

GOVERNOR OF THE STATE OF HAWAII