
A BILL FOR AN ACT

RELATING TO ENERGY.

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

1 SECTION 1. Hawaii has the most expensive electricity rates
2 in the nation. These high electricity rates are often
3 attributed to Hawaii's reliance on imported oil and an obsolete
4 electrical utilities business model that has not changed in over
5 a century. Hawaii electrical utilities still require a central
6 system operator to manage the power supply with fluctuating
7 customer demand, while striving to maintain the reliability of
8 the power system. Electrical utility problems are further
9 exacerbated by the fact that the aging analog controls used to
10 manage the electrical supply have become increasingly unreliable
11 and insecure.

12 To reduce both electricity prices and the State's
13 dependence on imported oil, Hawaii must modernize the electrical
14 grid to allow for competition in the production of electricity.
15 An intelligent, deregulated, digital electrical grid control
16 system will increase the reliability and security of the
17 electrical grid, manage the power supply to meet electricity
18 demands, help to increase electrical production competition, and



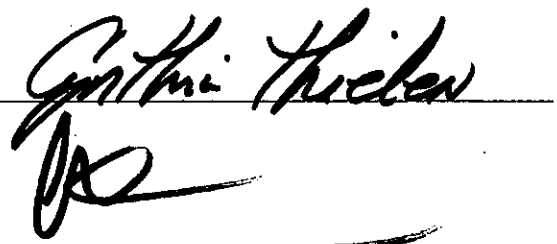
1 help move Hawaii toward the widespread use of renewable energy.
2 To increase use of renewable energy, Hawaii must remove barriers
3 preventing competition in the electricity production
4 marketplace, while ensuring the stability of the electrical
5 grid.

6 The purpose of this Act is to determine ways to provide
7 electric utility customers with an alternative supplier of
8 electricity by creating competition in the electrical production
9 marketplace.

10 SECTION 2. The public utilities commission shall undertake
11 a study on methods to increase the number of electrical
12 providers in the State. The report shall include ways to create
13 competition for electrical providers, including the creation of
14 investor owned utilities, so that electrical customers have a
15 choice of electrical providers. The public utilities commission
16 shall report its findings and recommendations, including any
17 proposed legislation, to the legislature no later than twenty
18 days prior to the convening of the regular session of 2015.

19 SECTION 3. This Act shall take effect upon its approval.
20

INTRODUCED BY:



H.B. NO. 1517

Report Title:

Energy; Electricity; Competition; Public Utilities Commission:
Study

Description:

Requires the public utilities commission to conduct a study on ways to create competition in the electricity production so that consumers may purchase electricity from a variety of sources.

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