
A BILL FOR AN ACT

RELATING TO RETAIL WHEELING.

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

1 SECTION 1. In 2009, the legislature adopted senate
2 concurrent resolution no. 132, S.D. 1, which established the
3 construction industry task force (task force) to determine the
4 economic value of the construction industry in Hawaii. As
5 directed in the concurrent resolution, the task force was
6 charged with developing a series of recommendations to stimulate
7 the construction industry and create new jobs in the local
8 construction industry. Unfortunately, to date, many of the task
9 force's recommendations have yet to be enacted by the
10 legislature. One of the task force's recommendations was to
11 establish policies and administrative rules for retail wheeling
12 in Hawaii.

13 The legislature finds that in the 1990s, some states opted
14 to fully or partially unbundle their electricity sectors to
15 allow for competitive generation segments, separate transmission
16 and distribution segments, and independent system operators.

17 The legislature further finds that retail wheeling refers
18 to the distribution of electricity owned by an independent power



1 supplier and sold to a consumer over transmission and
2 distribution lines of a public utility. While fifteen other
3 states have restructured their energy markets to adopt retail
4 wheeling in some form, in Hawaii, independent power producers
5 must sell power to a public utility rather than make direct
6 sales to end users.

7 The legislature additionally finds that in an environment
8 and electricity market such as Hawaii's, intra-governmental
9 wheeling can provide a vehicle for increased competition in
10 energy markets and improved service without requiring the
11 utility to divest its own generation assets or lose control over
12 the operation of transmission and distribution.

13 The purpose of this Act is to enact and implement one of
14 the recommendations of the task force by authorizing a limited
15 retail wheeling market where independent renewable energy
16 producers located on state lands may sell electricity directly
17 to state government entities located on the same island as the
18 power producer.

19 SECTION 2. Chapter 269, Hawaii Revised Statutes, is
20 amended by adding a new section to be appropriately designated
21 and to read as follows:



1 "§269- Retail wheeling; rules and procedures; intra-
2 governmental. (a) The public utilities commission shall
3 establish necessary policies and rules pursuant to chapter 91
4 and shall issue orders for the deployment of retail wheeling to
5 enable power producers to sell electricity directly to state
6 government entities located on the same island as the power
7 producer.

8 (b) For purposes of this section:

9 "Power producer" means an independent renewable energy
10 producer operating on state lands.

11 "Retail wheeling" means the distribution, over a public
12 utility's transmission and distribution system, of power that is
13 generated by a power producer and sold by the power producer
14 directly to the end user."

15 SECTION 3. New statutory material is underscored.

16 SECTION 4. This Act shall take effect on July 1, 2014.

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INTRODUCED BY:



By Request

JAN 10 2014



H.B. NO. 1583

Report Title:

Construction Industry Task Force; Public Utilities Commission;
Retail Wheeling; Intra-Governmental

Description:

Requires the public utilities commission to establish rules and policies and issue orders related to retail wheeling to enable renewable energy producers operating on state lands to sell electricity directly to state government entities located on the same island as the producer.

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