

JAN 16 2014

A BILL FOR AN ACT

RELATING TO RENEWABLE PORTFOLIO STANDARDS.

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

1 SECTION 1. The legislature finds that attaining
2 independence from detrimental reliance on fossil fuels has been
3 a long-standing objective for the State. Hawaii pays the
4 highest electricity prices in the United States, and its
5 gasoline costs are among the highest in the country. Reducing
6 the State's fossil fuel dependence and the consequent price
7 volatility, and attaining energy security and independence are
8 critical. These efforts demand long-term planning.

9 In October 2008, the governor; department of business,
10 economic development, and tourism; department of commerce and
11 consumer affairs' division of consumer advocacy; and Hawaiian
12 Electric Company, Inc., and its subsidiaries signed an energy
13 agreement. It included an agreement that "a Renewable Portfolio
14 Standard is a desirable way to articulate and structure Hawaii's
15 electric utilities' renewable energy acquisition obligations."

16 Accordingly, the current renewable portfolio standard was
17 established by Act 155, Session Laws of Hawaii 2009. Act 155
18 set a target for 2030, mandating that forty per cent of each



1 electric utility company's net electricity sales will come from
2 renewable sources. The 2030 target remains achievable. For
3 2012, Hawaii Electric Light Company, Inc., reported that
4 renewable generation accounted for approximately forty-seven per
5 cent of electricity sales, while Maui Electric Company, Limited,
6 reported approximately twenty-one per cent, Hawaiian Electric
7 Company reported approximately eight per cent, and Kauai Island
8 Utility Cooperative reported approximately nine per cent.

9 A recent analysis by the Hawaiian Electric Company
10 concluded that under the companies' preferred resource plans, a
11 "[renewable portfolio standard] greater than [forty per cent]
12 can be realized well before 2030."

13 In the United States, Hawaii is not alone in using
14 renewable portfolio standard targets to align energy policy laws
15 with energy goals. Twenty-nine other states have implemented
16 mandatory renewable portfolio standard targets. Renewable
17 energy targets are also common around the world. Germany's
18 target is fifty per cent for 2030 and eighty per cent for 2050.
19 Some island nations, including Iceland and the Pacific island of
20 Tokelau, have already used indigenous renewable resources to
21 supply one hundred per cent of their electricity.



1 The purpose of Act 155 is to "provide a first step in
2 aligning Hawaii's energy policy laws with the State's energy
3 goals." The legislature further finds that in the interest of
4 energy security and energy independence for Hawaii, it is time
5 to articulate the next step and provide guidance for long-term
6 energy planning by establishing renewable portfolio standards to
7 be achieved by 2040 and 2050, with the goal of energy
8 independence for Hawaii's electricity sector to be achieved by
9 2050. In support of these long-term planning goals, the
10 legislature's intent is that the applicability of renewable
11 portfolio standards not be dependent on the presence of tax
12 incentives.

13 SECTION 2. Section 269-92, Hawaii Revised Statutes, is
14 amended by amending subsection (a) to read as follows:

15 "(a) Each electric utility company that sells electricity
16 for consumption in the State shall establish a renewable
17 portfolio standard of:

18 (1) Ten per cent of its net electricity sales by
19 December 31, 2010;

20 (2) Fifteen per cent of its net electricity sales by
21 December 31, 2015;



- 1 (3) Twenty-five per cent of its net electricity sales by
- 2 December 31, 2020; [and]
- 3 (4) Forty per cent of its net electricity sales by
- 4 December 31, 2030[-];
- 5 (5) Seventy per cent of its net electricity sales by
- 6 December 31, 2040; and
- 7 (6) One hundred per cent of its net electricity sales by
- 8 December 31, 2050."

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

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

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S.B. NO. 2181

Report Title:

Renewable Portfolio Standards; Energy Independence

Description:

Increases renewable portfolio standards to seventy per cent by 2040 and one hundred per cent by 2050.

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