
A BILL FOR AN ACT

RELATING TO THE MODERNIZATION OF THE HAWAII ELECTRIC SYSTEM.

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

- 1 SECTION 1. (a) The public utilities commission shall
2 commence a proceeding by July 1, 2014, to address the technical,
3 policy, and economic issues associated with the modernization of
4 Hawaii's electricity grid and shall take into consideration the
5 following:
- 6 (1) Development of a diverse portfolio of renewable energy
7 resources;
 - 8 (2) Expanded options for customers to manage their energy
9 use;
 - 10 (3) The manner in which distributed generation shall be
11 allowed access to grid interconnection without
12 discriminatory terms, with fair and reasonable rates;
13 and
 - 14 (4) Providing fair payment for grid services provided to
15 customers and fair compensation to customers for
16 services provided to the grid by distributed
17 generation.



1 The commission shall ensure such access and rates through
2 applicable rules, orders, and tariffs. The commission
3 proceeding required under this subsection may encompass one or
4 more procedural timelines, as determined necessary and
5 appropriate by the commission.

6 (b) The commission shall submit a report of its findings
7 and recommendations to the legislature no later than twenty days
8 prior to the convening of the regular session of 2016.

9 (c) The commission and the division of consumer advocacy
10 within the department of commerce and consumer affairs shall be
11 exempt from section 103D-304, Hawaii Revised Statutes, in its
12 procurement of any professional services needed to conduct the
13 proceeding.

14 SECTION 2. There is appropriated out of the general
15 revenues of the State of Hawaii the sum of \$750,000 or so much
16 thereof as may be necessary for fiscal year 2014-2015 for the
17 public utilities commission to conduct a proceeding pursuant to
18 section 1 of this Act.

19 The sum appropriated shall be expended by the public
20 utilities commission for the purposes of this Act.

21 SECTION 3. There is appropriated out of the general
22 revenues of the State of Hawaii the sum of \$750,000 or so much



1 thereof as may be necessary for fiscal year 2014-2015 for the
2 division of consumer advocacy within the department of commerce
3 and consumer affairs to represent the interests of all consumers
4 in accordance with section 269-51, Hawaii Revised Statutes, in
5 the course of the proceeding pursuant to section 1 of this Act.

6 The sum appropriated shall be expended by the division of
7 consumer advocacy within the department of commerce and consumer
8 affairs for the purposes of this Act.

9 SECTION 4. This Act shall take effect on July 1, 2050.



Report Title:

Grid Modernization; Hawaii Electric System; Public Utilities Commission; Division of Consumer Advocacy; Appropriation

Description:

Requires the public utilities commission to initiate a proceeding no later than July 1, 2014, to address the technical, policy, and economic issues associated with the modernization of Hawaii's electricity grids. Requires the division of consumer advocacy to represent the interests of all consumers at the proceeding. Appropriates funds to the commission and division of consumer advocacy. Takes effect 7/1/2050. (SD1)

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