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# 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 proceeding required under this subsection may encompass one  
2 or more procedural timelines, as determined necessary and  
3 appropriate by the public utilities commission.

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

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

13 SECTION 2. There is appropriated out of the public  
14 utilities commission special fund the sum of \$ or so much  
15 thereof as may be necessary for fiscal year 2014-2015 for the  
16 public utilities commission to conduct a proceeding and to draft  
17 and submit the report pursuant to section 1 of this Act.

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

20 SECTION 3. There is appropriated out of the public  
21 utilities commission special fund the sum of \$ or so much  
22 thereof as may be necessary for fiscal year 2014-2015 for the



1 division of consumer advocacy within the department of commerce  
2 and consumer affairs to represent the interests of all consumers  
3 in accordance with section 269-51, Hawaii Revised Statutes, in  
4 the course of the proceeding pursuant to section 1 of this Act.

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

8 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 07/01/2050. (SD2)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

