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# A BILL FOR AN ACT

RELATING TO PERFORMANCE-BASED REGULATION.

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

1           SECTION 1. The legislature finds that the economy of the  
2 State is dangerously dependent upon the volatile prices of  
3 imported fossil fuels. In order to provide security and  
4 stability for the economy of the State, the State must end its  
5 reliance upon imported fuels and must decrease energy costs in  
6 the long-term. The legislature further finds that while the  
7 State's energy sector is changing rapidly, electric utility  
8 companies need to make more progress toward ensuring the long-  
9 term public benefit of these changes and must be prepared to  
10 adapt to changing technology and a decentralized energy market.

11           The purpose of this Act is to establish performance-based  
12 regulation to motivate electric utility companies to meet the  
13 State's energy goals.

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



1        "(a) Each electric utility company that sells electricity  
2 for consumption in the State shall establish a renewable  
3 portfolio standard of:

4            (1) Ten per cent of its net electricity sales by December  
5            31, 2010;

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

8            (3) Twenty-five per cent of its net electricity sales by  
9            December 31, 2020; [and]

10           (4) Forty per cent of its net electricity sales by  
11           December 31, 2030 [-];

12           (5) Seventy per cent of its net electricity sales by  
13           December 31, 2035; and

14           (6) One hundred per cent of its net electricity sales by  
15           December 31, 2045."

16        SECTION 3. (a) Electric utility companies shall meet  
17 long-term end goals in accordance with the following performance  
18 criteria:

19           (1) Renewable portfolio standards in compliance with  
20           section 269-92, Hawaii Revised Statutes;



1           (2)   Equitable expansion of distributed generation to meet  
2           public demand;

3           (3)   Programs and rate structures that provide ratepayers  
4           with control over their electricity costs; and

5           (4)   Ratepayer cost reduction.

6           (b)   The public utilities commission shall adopt  
7 performance-based incentives and conditions to ensure regulated  
8 electric utility companies meet the long-term end goals set  
9 forth in subsection (a).

10          SECTION 4.   Statutory material to be repealed is bracketed  
11 and stricken.   New statutory material is underscored.

12          SECTION 5.   This Act shall take effect on January 1, 2112.



**Report Title:**

Public Utilities Commission; Electric Utility Companies;  
Performance-Based Regulation

**Description:**

Establishes performance-based regulation of electric utility  
companies by the Public Utilities Commission. (HB1512 HD2)

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

