
A BILL FOR AN ACT

RELATING TO DISTRIBUTED GENERATION.

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

1 SECTION 1. The legislature finds that Hawaii's dependence
2 on imported fuel hurts families, the economy, the environment,
3 and costs the State billions of dollars each year. The
4 legislature further finds that a monopoly drives up costs by
5 discouraging competition and causing the costs of living to be
6 unbearable. Alternative energy technologies have significantly
7 improved in solar and storage capacities, making both more
8 economically feasible for the consumer. This allows for energy
9 independence as well as creates new markets and jobs in the
10 State.

11 The legislature further finds that transitioning a single
12 electric utility monopoly from a primary producer to a secondary
13 producer would be in the public interest and encourage renewable
14 energy generation. Distributed energy generation by independent
15 producers supports the local economy through clean energy and
16 allows small producers to decentralize the electrical generation.
17 Furthermore, distributed generation plays a key role in the
18 State's commitment to clean and renewable energy.



1 The purpose of this Act is to complement the Hawaii clean
2 energy initiative and renewable portfolio standards by
3 establishing a distributed generation portfolio standard of one
4 hundred per cent by 2045 by transitioning from a monopoly to
5 decentralized independent production. This target will ensure
6 that Hawaii moves beyond its dependence on a centralized producer
7 and continues to be a leader in renewable energy.

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

11 "§269- Distributed generation portfolio standards. (a)

12 Each electric utility company that sells electricity for
13 consumption in the State shall establish a distributed
14 generation portfolio standard of:

15 (1) Thirty per cent of its net electricity sales by
16 December 31, 2020;

17 (2) Forty per cent of its net electricity sales by
18 December 31, 2030;

19 (3) Seventy per cent of its net electricity sales by
20 December 31, 2040; and

21 (4) One hundred per cent of its net electricity sales by
22 December 31, 2045.



1 (b) If the public utilities commission determines that an
2 electric utility company failed to meet the distributed
3 generation portfolio standard, after a hearing in accordance
4 with chapter 91, the utility shall be subject to penalties to be
5 established by the public utilities commission; provided that if
6 the commission determines that the electric utility company is
7 unable to meet the distributed generation portfolio standards
8 due to reasons beyond the reasonable control of an electric
9 utility, as set forth in subsection (c), the commission, in its
10 discretion, may waive in whole or in part any otherwise
11 applicable penalties.

12 (c) Events or circumstances that are outside of an
13 electric utility company's reasonable control may include, to
14 the extent the event or circumstance could not be reasonably
15 foreseen and ameliorated:

- 16 (1) Weather-related damage;
- 17 (2) Natural disasters;
- 18 (3) Mechanical or resource failure;
- 19 (4) Failure of independent electrical energy producers to
20 meet contractual obligations to the electric utility
21 company;



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- 1 (5) Labor strikes or lockouts;
- 2 (6) Actions of governmental authorities that adversely
 3 affect the generation, transmission, or distribution
 4 of independent electrical energy under contract to an
 5 electric utility company; and
- 6 (7) Inability to acquire sufficient renewable electrical
 7 energy due to lapsing of tax credits related to
 8 renewable energy development."

9 SECTION 3. New statutory material is underscored.

10 SECTION 4. This Act shall take effect on July 1, 2017.

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INTRODUCED BY: *[Signature]*
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Report Title:

Public Utilities Commission; Electric Utilities Companies;
Distributed Generation.

Description:

Establishes a distributed generation standard of 30 per cent by 2020, 40 per cent by 2030, 70 per cent by 2040, and 100 per cent by 2045. Authorizes the Public Utilities Commission to enforce the provision. Provides allowances for events out of the electric utility's control.

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