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## A BILL FOR AN ACT

RELATING TO ENERGY.

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

1           SECTION 1. The State of Hawaii has committed to a decisive  
2 and irreversible transition away from fossil fuels and a swift  
3 transition to a clean energy economy powered by one hundred per  
4 cent renewable energy. This renewable energy transformation will  
5 help to stabilize and strengthen Hawaii's economy by reducing  
6 its dependency on imported fossil fuels and will help protect  
7 Hawaii's environment by greatly reducing greenhouse gas  
8 emissions.

9           This clean energy transition is in a period of flux, as the  
10 State's energy sector determines optimal paths for accelerating  
11 the use of renewable energy. The legislature finds that coal,  
12 as one of the dirtiest fossil fuels, has no role in Hawaii's  
13 clean energy future.

14           The purpose of this Act is to eliminate the use of coal as  
15 fuel for electricity generation by 2023 by prohibiting the  
16 approval of such power purchase agreements and prohibiting the  
17 recovery of such power purchase costs.



1 SECTION 2. Section 269-16.22, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 " ~~[+]~~ §269-16.22 ~~[+]~~ Power purchase agreements; cost recovery  
4 for electric utilities. (a) All power purchase costs,  
5 including costs related to capacity, operations and maintenance,  
6 and other costs that are incurred by an electric utility  
7 company, arising out of power purchase agreements that have been  
8 approved by the public utilities commission and are binding  
9 obligations on the electric utility company, shall be allowed to  
10 be recovered by the utility from the customer base of the  
11 electric utility company through one or more adjustable  
12 surcharges, which shall be established by the public utilities  
13 commission. The costs shall be allowed to be recovered if  
14 incurred as a result of such agreements unless, after review by  
15 the public utilities commission, any such costs are determined  
16 by the commission to have been incurred in bad faith, out of  
17 waste, out of an abuse of discretion, or in violation of law.  
18 ~~[For purposes of this section, an "electric utility company"~~  
19 ~~means a public utility as defined under section 269-1, for the~~  
20 ~~production, conveyance, transmission, delivery, or furnishing of~~  
21 ~~electric power.]~~



1        (b) After December 31, 2022, no power purchase costs shall  
 2 be recovered by an electric utility company for the purchase or  
 3 use of coal or any cost associated with power purchase  
 4 agreements involving the generation of electricity from coal.  
 5 The public utilities commission shall not approve any power  
 6 purchase agreement that permits electricity to be generated from  
 7 coal, if such generation from coal may occur after December 31,  
 8 2022.


9        (c) For purposes of this section, an "electric utility  
 10 company" means a public utility as defined under section 269-1,  
 11 for the production, conveyance, transmission, delivery, or  
 12 furnishing of electric power."

13        SECTION 3. Statutory material to be repealed is bracketed  
 14 and stricken. New statutory material is underscored.

15        SECTION 4. This Act shall take effect on July 1, 2016.

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INTRODUCED BY: 

  
Wade E. Lamm  
Trialdi



# H.B. NO. 2572

**Report Title:**

Coal; Generation of Electricity; Power Purchase Agreements;  
Prohibition

**Description:**

Eliminates the use of coal as a fuel for electricity generation by 2023 by prohibiting the approval of such power purchase agreements and recovery of such power purchase costs.

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