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## A BILL FOR AN ACT

RELATING TO COMMUNITY-BASED RENEWABLE ENERGY.

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

1           SECTION 1. The legislature finds that while residential  
2 solar energy use has grown dramatically across the State in  
3 recent years, many residents and businesses are currently unable  
4 to directly participate in renewable energy generation because  
5 of their location, building type, access to the electric utility  
6 grid, and other impediments. Act 100, Session Laws of Hawaii  
7 2015, established the community-based renewable energy program  
8 to enable Hawaii residents to participate in the economic,  
9 environmental, and societal benefits of renewable energy.  
10 Specifically, Act 100 attempted to expand the market for  
11 eligible renewable energy resources to residential and business  
12 renters, occupants of residential and commercial buildings with  
13 shaded or improperly oriented roofs, and other groups who are  
14 unable to access the benefits of onsite clean energy generation  
15 by requiring electric utilities to propose community-based  
16 renewable energy tariffs.



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1           Despite this bold and detailed vision from the legislature,  
2 Hawaii consumers are still unable to participate in a community-  
3 based renewable energy program. A proposal submitted by several  
4 electric utilities fell far short of the legislature's vision,  
5 in scope, scale, and accessibility. The legislature finds that  
6 it is necessary to re-visit the community-based renewable energy  
7 program in order to balance the inequitable access to renewable  
8 energy.

9           The legislature finds that including a community-based net  
10 energy metering program as part of Hawaii's community-based  
11 renewable energy program will ensure that customers can  
12 participate in renewable energy generation. Additionally,  
13 operating a community net energy metering program in a similar  
14 manner and scale as the State's net energy metering programs  
15 will ensure that the opportunities afforded to participants in  
16 the community net energy metering program will be commensurate  
17 with the opportunities afforded to participants in net energy  
18 metering.

19           The purpose of this Act is to make the benefits of  
20 renewable energy generation more accessible to a greater number  
21 of Hawaii residents by foregoing any further delay in the Hawaii



1 community-based renewable energy program by establishing a  
2 community net energy metering program.

3 SECTION 2. Chapter 269, Hawaii Revised Statutes, is  
4 amended by adding a new part to be appropriately designated and  
5 to read as follows:

6 "PART . COMMUNITY NET ENERGY METERING

7 §269-A Definitions. As used in this part:

8 "Community net energy metering" means measuring the  
9 difference between the total electricity supplied to an eligible  
10 community net energy metering customer-generator through the  
11 electric grid, and the electricity generated by the customer's  
12 interest in a community net energy metering facility, over a  
13 monthly billing period.

14 "Eligible community net energy metering customer-generator"  
15 means a metered residential or commercial customer, including a  
16 government entity, of an electric utility, who obtains an  
17 interest in a community net energy metering facility that  
18 generates renewable energy as defined under section 269-91;  
19 provided that electric utility customers who participate in a  
20 net energy metering program pursuant to section 269-102 shall



1 not be eligible for participation in community net energy  
2 metering.

3 "Eligible facility" means a community net energy metering  
4 facility that generates renewable energy as defined under  
5 section 269-91 and in which eligible community net energy  
6 metering customer-generators obtain an interest in accordance  
7 with this part. If only a portion of the ownership or other  
8 interest in a renewable energy facility is held by eligible  
9 community net energy metering customer-generators, then only  
10 that portion of the facility shall be considered the eligible  
11 facility.

12 **§269-B Maximum capacity of an eligible community net**  
13 **energy metering customer-generator.** The eligible community net  
14 energy metering customer-generator's interest in an eligible  
15 facility shall have a capacity of not more than fifty kilowatts;  
16 provided that the public utilities commission may increase the  
17 maximum allowable capacity that eligible customer-generators may  
18 have to an amount greater than fifty kilowatts by rule or order.  
19 Notwithstanding this section, a multi-unit dwelling or building  
20 that utilizes consolidated electric metering for multiple  
21 residential or commercial units may obtain an interest in an



1 eligible facility that is equal to fifty kilowatts multiplied by  
2 the number of its units participating in the community net  
3 energy metering program.

4       **§269-C Standard contract or tariff; rate structure.** (a)

5 Every electric utility shall develop a standard contract or  
6 tariff providing for community net energy metering and shall  
7 make this contract available to eligible community net energy  
8 metering customer-generators, upon request, on a first-come-  
9 first-served basis until the time that the total rated  
10 generating capacity produced by eligible facilities in the  
11 utilities' service areas equals the total rated generating  
12 capacity of that electric utility's net energy metering program  
13 as reported pursuant to section 269-103. The public utilities  
14 commission may define, by rule or order, a higher maximum  
15 capacity for eligible facilities serving eligible residential or  
16 small commercial community net energy metering customer-  
17 generators.

18       (b) Each community net energy metering contract or tariff  
19 shall be identical, with respect to rate structure, to the  
20 contract or tariff to which the same customer would be assigned  
21 if the customer was not an eligible customer-generator; provided



1 that a community net energy metering contract or tariff shall  
2 utilize a time-of-use rate structure. The charges for all  
3 retail rate components for eligible customer-generators shall be  
4 based exclusively on the eligible customer-generator's net  
5 kilowatt-hour consumption over a monthly billing period;  
6 provided that a reasonable demand charge or minimum monthly  
7 charge may be applied. Any demand charges or minimum monthly  
8 charges that substantially increases an eligible community net  
9 energy metering customer-generator's costs beyond those of other  
10 customers in the rate class to which the eligible customer-  
11 generator would otherwise be assigned shall be contrary to the  
12 intent of this section, and shall not be included in any  
13 community net energy metering contract or tariff.

14 (c) The public utilities commission may amend the rate  
15 structure or standard contract or tariff by rule or order. Any  
16 amended community net energy metering rate structure or standard  
17 contract or tariff shall comply with subsections (a) and (b).

18 **§269-D Generating capacity.** Twice per year, beginning in  
19 2016, every electric utility shall make available to the public  
20 utilities commission information on the total rated generating  
21 capacity produced by eligible facilities in the utility's



1 service area. The public utilities commission shall develop a  
2 process for making the information required by this section  
3 available to the public.

4       **§269-E Additional customer-generators.** Notwithstanding  
5 section 269-B, an electric utility shall not be obligated to  
6 provide community net energy metering to additional eligible  
7 community net energy metering customer-generators in its service  
8 area when the combined total rated generating capacity of all  
9 eligible facilities in that utility's service area exceeds the  
10 total rated generating capacity of that electric utility's net  
11 energy metering program as reported pursuant to section 269-103;  
12 provided that the public utilities commission may define, by  
13 rule or order, a higher maximum capacity for eligible facilities  
14 in that utility's service areas, whereupon the electric utility  
15 shall be obligated to provide net energy metering to additional  
16 eligible community net energy metering customers in that service  
17 area up to the higher maximum capacity.

18       **§269-F Calculation.** The community net energy metering  
19 calculation shall be made by measuring the difference between  
20 the electricity supplied by a utility to the eligible community  
21 net energy metering customer-generator and:



1           (1) The electricity generated by the eligible community  
2           net energy metering customer-generator's interest in  
3           an eligible facility and fed into the electric grid  
4           over a monthly billing period; and

5           (2) Any unused credits for excess electricity from the  
6           eligible community net energy metering customer-  
7           generator's interest an eligible facility carried over  
8           from previous months since the last twelve-month  
9           reconciliation period.

10           **§269-G Billing periods; twelve-month reconciliation. (a)**

11 Billing of community net energy metering customers shall be on a  
12 monthly basis; provided that the last monthly bill for each  
13 twelve-month period shall reconcile for that twelve-month period  
14 the net electricity provided by the electric utility with:

15           (1) The electricity generated by the eligible community  
16           net energy metering customer-generator's interest in  
17           an eligible facility and fed into the electric grid  
18           over the monthly billing period; and

19           (2) Any unused credits for excess electricity from the  
20           eligible customer-generator carried over from prior





1 months since the last twelve-month reconciliation  
2 period.

3 (b) Credits for excess electricity from the eligible  
4 community net energy metering customer-generator's interest in  
5 an eligible facility that remain unused after each twelve-month  
6 reconciliation period may not be carried over to the next  
7 twelve-month period.

8 (c) The twelve-month reconciliation period shall conclude  
9 in May of each year.

10 **§269-H Net electricity consumers.** At the end of each  
11 monthly billing period, where the electricity supplied during  
12 the period by the electric utility exceeds:

13 (1) The electricity generated by the eligible community  
14 net energy metering customer-generator's interest in  
15 an eligible facility during that same period; and

16 (2) Any unused credits for excess electricity from the  
17 eligible community net energy metering customer-  
18 generator carried over from prior months since the  
19 last twelve-month reconciliation period,

20 the eligible customer-generator is a net electricity consumer  
21 and the electric utility shall be owed compensation for the



1 eligible customer-generator's net kilowatt-hour consumption over  
2 that same period. The compensation owed for the eligible  
3 community net energy metering customer-generator's net monthly  
4 kilowatt-hour consumption shall be calculated in accordance with  
5 section 269-C.

6       **§269-I Net electricity producers; excess electricity**  
7 **credits and credit carry over.** At the end of each monthly  
8 billing period, where the electricity generated by the eligible  
9 community net energy metering customer-generator's interest in  
10 an eligible facility during the month exceeds the electricity  
11 supplied by the electric utility to the customer-generator  
12 during that same period, the customer-generator is a net  
13 electricity producer and the electric utility shall retain any  
14 excess kilowatt-hours generated by the customer-generator's  
15 interest in an eligible facility during the prior monthly  
16 billing period; provided that the excess electricity generated  
17 by the customer-generator's interest in an eligible facility, if  
18 any, in each monthly billing period shall be carried over to the  
19 next month as a monetary value to the credit of the customer-  
20 generator, which credit may accumulate and be used to offset the  
21 compensation owed the electric utility for the customer-



1 generator's net kilowatt-hour consumption for succeeding months  
2 within each twelve-month period; provided further that the  
3 electric utility shall reconcile the eligible customer-  
4 generator's electricity production and consumption for each  
5 twelve-month period as set forth in section 269-G. The  
6 customer-generator shall not be owed any compensation for excess  
7 kilowatt-hours unless the electric utility enters into a  
8 purchase agreement with the customer-generator for those excess  
9 kilowatt-hours.

10       **§269-J Net electricity consumption or production**  
11 **information.** The electric utility shall provide every eligible  
12 community net energy metering customer-generator with net  
13 electricity consumption or production information with each  
14 regular monthly bill, which shall include:

- 15       (1) The current monetary balance owed the electric utility  
16             for net electricity consumed;
- 17       (2) The net electricity produced since the end of the last  
18             monthly billing period; and
- 19       (3) An accounting of the credits for excess electricity  
20             produced by the eligible community net energy metering  
21             customer-generator since the last twelve-month



1 reconciliation period that shows credits applied to  
2 the monthly billing period and the balance of unused  
3 credits, if any.

4 **§269-K Termination by eligible community net energy**  
5 **metering customer-generators.** If an eligible community net  
6 energy metering customer-generator terminates the customer  
7 relationship with the electric utility, the electric utility  
8 shall reconcile the customer-generator's consumption and  
9 production of electricity, including any unused credits for  
10 excess electricity from the customer-generator's interest in an  
11 eligible facility carried over from prior months, for the period  
12 following the last twelve-month reconciliation period to the  
13 date of termination of the relationship, according to the  
14 requirements set forth in this part.

15 **§269-L Safety and performance standards.** (a) An eligible  
16 facility shall meet all applicable safety and performance  
17 standards established by the National Electrical Code, the  
18 Institute of Electrical and Electronics Engineers, and  
19 accredited testing laboratories such as the Underwriters  
20 Laboratories and, where applicable, rules of the public  
21 utilities commission regarding safety and reliability.



1 (b) For systems of ten kilowatts or less, an eligible  
 2 facility that meets the standards and rules under subsection (a)  
 3 shall not be required to install additional controls, perform or  
 4 pay for additional tests, or purchase additional liability  
 5 insurance.


6 (c) For eligible facilities of greater than ten kilowatts,  
 7 the commission, either through decision and order, by tariff  
 8 adoption, or by rule, may:

- 9 (1) Set forth safety, performance, and reliability
- 10 standards and requirements; and
- 11 (2) Establish the qualifications for exemption from a
- 12 requirement to install additional controls, perform or
- 13 pay for additional tests, or purchase additional
- 14 liability insurance."

15 SECTION 3. In codifying the new sections added by section  
 16 2 of this Act, the revisor of statutes shall substitute  
 17 appropriate section numbers for the letters used in designating  
 18 the new sections in this Act.

19 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY: Micole E. Lowen  




# H.B. NO. 2616

**Report Title:**

Community Net Energy Metering; PUC

**Description:**

Establishes a community net energy metering program. Requires the public utilities commission to administer the program.

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

