
A BILL FOR AN ACT

RELATING TO ENERGY.

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

1 SECTION 1. The legislature finds that integrated energy
2 districts, also known as microgrids, are quickly becoming an
3 integral part of the world's energy transformation. As a
4 fundamental building block for a smart electric grid, the annual
5 integrated energy district market in North America is expected
6 to increase from \$10,000,000,000 in 2013 to \$40,000,000,000 by
7 2020 and capacity is expected to increase from eight hundred
8 sixty-six megawatts in 2014 to 4.1 gigawatts by 2020.

9 Integrated energy districts are a type of interconnected
10 energy resource within an arena that can connect and disconnect
11 from the electrical grid. Integrated energy districts provide
12 many benefits including being a secure and reliable power source
13 when the central electrical grid is down, creating clean and
14 renewable energy, earning revenue through selling excess energy,
15 being customizable to the needs of the district, helping
16 institutions enhance their environmental reputation, preventing
17 the need to upgrade the central grid to handle additional



1 electrical load, reducing electrical line loss, balancing the
2 electrical load, helping stabilize grid frequency and voltage,
3 reducing grid congestion, and lessening strain on the central
4 grid through load shedding.

5 While integrated energy districts have existed for decades,
6 they were mostly limited to universities and military bases.
7 The recent growth of affordable clean energy from solar, wind,
8 geothermal, and natural gas have made integrated energy
9 districts increasingly more economically feasible for states
10 communities. For example, Connecticut, Maryland, Massachusetts,
11 New Jersey, and New York have taken steps toward promoting
12 integrated energy districts including appropriating tens of
13 millions of dollars to construction.

14 The purpose of this Act is remove barriers to the
15 development of integrated energy districts in Hawaii by
16 requiring the public utilities commission to establish a process
17 for electricity consumers to form integrated energy districts.

18 SECTION 2. Chapter 269, Hawaii Revised Statutes, is
19 amended by adding a new section to part I to be appropriately
20 designated and to read as follows:



1 "§269- Integrated energy districts. (a) The public
 2 utilities commission shall establish, by rules adopted pursuant
 3 to chapter 91, a process to establish integrated energy
 4 districts. The process shall include measures to expedite
 5 interconnection agreement processing for the establishment and
 6 operation of integrated energy districts without compromising
 7 the stability and reliability of a public utility's electrical
 8 grid.

9 (b) As used in this section, "integrated energy district"
 10 means a group of interconnected loads and distributed energy
 11 resources within clearly defined electrical boundaries that acts
 12 as a single controllable entity with respect to the electrical
 13 grid and can connect to a public utility's electrical grid to
 14 operate in grid-connected mode and can disconnect from the grid
 15 to operate in island mode."

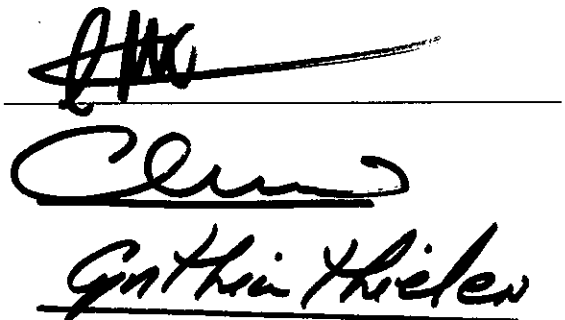
16 SECTION 3. New statutory material is underscored.

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

18

INTRODUCED BY:

 Beth Lukens

 Gauthier Thelen



H.B. NO. 264

Report Title:

Integrated Energy Districts; Renewable Energy; Microgrids

Description:

Requires the PUC to establish a process for the creation of integrated energy districts.

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

