

JAN 22 2016

A BILL FOR AN ACT

RELATING TO WHEELING FOR EDUCATIONAL INSTITUTIONS.

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

1 SECTION 1. The legislature finds that Hawaii's electricity
2 customers continue to endure the highest electricity rates in
3 the country, and the high cost of this essential service imposes
4 substantial burdens on Hawaii's households, businesses, and
5 schools.

6 More specifically, the high cost of electricity has
7 severely burdened the operations of the department of education
8 and University of Hawaii system. The department of education's
9 energy requirements and electricity bills are expected to
10 increase as a result of, among other things, volatile oil prices
11 and the need to install heat abatement and air conditioning
12 equipment to preserve and promote the health and safety of
13 students and teachers and to foster a better and more
14 comfortable and productive learning environment in schools.

15 The legislature further finds that the State has
16 established an important policy goal of achieving a one hundred



S.B. NO. 2536

1 per cent renewable portfolio standard by 2045 pursuant to Act
2 97, Regular Session of Hawaii 2015.

3 The legislature finds that the State has required, pursuant
4 to Act 99, Regular Session of Hawaii 2015, the University of
5 Hawaii to establish a collective goal of becoming net-zero with
6 respect to energy use, producing as much energy as the system
7 consumes across all campuses, by January 1, 2035.

8 The legislature also finds that the University of Hawaii
9 has adopted an executive policy on sustainability that sets a
10 number of significant goals, including achieving carbon
11 neutrality by 2050 and reducing fossil fuel-sourced energy
12 through increased energy efficiency and use of renewable energy
13 sources.

14 The legislature finds that the department of education has
15 established a sustainability policy of achieving a goal of
16 ninety per cent clean energy by 2040.

17 The legislature further finds that investments in renewable
18 energy resources must be made by state educational institutions
19 to help the State achieve its aggressive clean energy goals. It
20 is consistent with state policy to facilitate and encourage



S.B. NO. 2536

1 state educational institutions to generate renewable energy for
2 their own use in schools and universities.

3 The legislature further finds that there is insufficient
4 land or space to site renewable energy generation facilities at
5 the locations of many schools and university campuses, but state
6 educational institutions may have access to other locations
7 where renewable energy generation facilities can be sited.

8 The legislature also finds that state educational
9 institutions may be able to further lower energy costs if they
10 are able take advantage of economies of scale for larger
11 renewable energy projects that would be made possible by
12 utilizing various sites that may be available to them for
13 renewable energy projects.

14 The legislature further finds that the term "wheeling"
15 broadly refers to the process of transmitting electric power
16 from a seller's point of generation across a third-party-owned
17 transmission and distribution system to the seller's retail
18 customer. The legislature finds that State educational
19 institutions must be able to utilize wheeling in order to
20 facilitate the generation of renewable energy where feasible and
21 to wheel electricity to where they may need it at locations



1 where it is not feasible to site renewable energy generation
2 facilities.

3 The purpose of this Act is to authorize state educational
4 institutions to utilize wheeling to transmit renewable energy
5 generated electricity to themselves at other locations and to
6 require the public utilities commission and electric utilities
7 to adopt appropriate and reasonable rules and tariffs to
8 implement this mandate, without making state educational
9 institution wheeling cost-prohibitive or infeasible.

10 SECTION 2. Chapter 269, Hawaii Revised Statutes, is
11 amended by adding two new sections to be appropriately
12 designated and to read as follows:

13 "§269- State educational institution wheeling; rules and
14 procedures. (a) Notwithstanding any other law to the contrary,
15 state educational institutions shall be authorized to use and
16 implement state educational institution wheeling utilizing
17 transmission and distribution system and facilities of electric
18 utility companies pursuant to appropriate policies, rules, and
19 electric utility company tariffs approved by the public
20 utilities commission; provided that such policies, rules, and



1 tariffs shall not result in making state educational institution
2 wheeling cost-prohibitive or infeasible.

3 (b) No later than January 1, 2017, the public utilities
4 commission shall establish rules pursuant to chapter 91 and
5 establish requirements for related electric utility company
6 tariffs as may be necessary for the implementation of state
7 educational institution wheeling.

8 (c) No later than March 1, 2017, all electric utility
9 companies shall file proposed state educational institution
10 wheeling tariffs with the public utilities commission.

11 §269- State educational system wheeling report. The
12 public utilities commission shall report on the status of the
13 implementation of state educational institution wheeling,
14 including any proposed legislation to the legislature no later
15 than twenty days prior to the convening of the regular session
16 of 2017, and every regular session thereafter until completion."

17 SECTION 3. Section 269-1, Hawaii Revised Statutes, is
18 amended by adding three new definitions to be appropriately
19 inserted and to read as follows:



1 "State educational institution" mean the department of
2 education, as governed by chapter 302A, or the University of
3 Hawaii as defined in section 304A-2671.

4 "State educational institution wheeling" means wheeling by
5 a state educational institution when the institution acts as
6 both the seller and the retail customer; provided that a state
7 educational institution may own or lease from a third party, or
8 may operate or contract to operate with a third party, renewable
9 energy generation facilities and any other related facilities to
10 generate and transmit renewable energy, which may include energy
11 storage technologies and facilities.

12 "Wheeling" means to the process of transmitting electric
13 power from a seller's point of generation across a third-party-
14 owned transmission and distribution system and facilities,
15 including, but not limited to, transmission and distribution
16 system and facilities of electric utility companies, to the
17 seller's retail customer."

18 SECTION 4. New statutory material is underscored.

19 SECTION 5. This Act shall take effect on July 1, 2016.

20

Michelle Ekan INTRODUCED BY: Maaric L. Frouge
M. H. Clerence S. Siskin

S.B. NO. 2536

Report Title:

Educational Institutions; Wheeling; Electric Utility Companies;
Public Utility Commission

Description:

Authorizes state educational institutions to utilize wheeling to transmit renewable energy generated electricity to themselves at other locations, and requires the public utilities commission and electric utilities to adopt rules and tariffs consistent with the wheeling mandate.

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

