

JAN 27 2016

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 Hawaii's dependency
2 on imported fossil fuels drains the State's economy of billions
3 of dollars each year. A stronger local economy depends on a
4 transition away from imported fossil fuel powered ground
5 transportation and toward multi-modal transportation systems
6 powered by renewable local energy resources.

7 The legislature also finds that climate change caused by
8 greenhouse gas emissions from burning fossil fuels poses a
9 serious threat to the economic well-being, public health,
10 natural resources, and the environment of Hawaii. The potential
11 adverse impacts of climate change include the exacerbation of
12 air quality problems, a reduction in the quality and supply of
13 water, a rise in sea levels resulting in the displacement of
14 coastal businesses and residences, damage to marine ecosystems
15 and the natural environment, and an increase in the incidences
16 of infectious diseases, asthma, and other human health-related
17 problems.



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1 The legislature further finds that climate change will have
2 detrimental effects on some of Hawaii's largest industries,
3 including tourism, agriculture, and recreational and commercial
4 fishing. It will also increase the strain on electricity
5 supplies necessary to meet the increased demand for air-
6 conditioning in the state.

7 The purpose of this Act is to update Hawaii's clean energy
8 initiative and state planning act to eliminate Hawaii's
9 dependence on imported fossil fuels in the ground transportation
10 sector by setting a target to reduce sales of diesel and
11 gasoline for use in ground transportation to less than one
12 million gallons by 2045. This target will ensure maximum long-
13 term benefit to Hawaii's economy and the reduction of long-term
14 consequences of climate change to the State's economy and
15 environment.

16 SECTION 2. Section 196-10.5, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "[-]§196-10.5[+] Hawaii clean energy initiative program.

19 (a) There is established within the department of business,
20 economic development, and tourism, a Hawaii clean energy
21 initiative program to manage the State's transition to a clean



- 1 energy economy. The clean energy program shall design,
2 implement, and administer activities that include:
- 3 (1) Strategic partnerships for the research, development,
4 testing, deployment, and permitting of clean and
5 renewable technologies;
 - 6 (2) Engineering and economic evaluations of Hawaii's
7 potential for near-term project opportunities for the
8 State's renewable energy resources;
 - 9 (3) Electric grid reliability and security projects that
10 will enable the integration of a substantial increase
11 of electricity from renewable-energy resources;
 - 12 (4) A statewide clean energy public education and outreach
13 plan to be developed in coordination with Hawaii's
14 institutions of public education;
 - 15 (5) Promotion of Hawaii's clean and renewable resources to
16 potential partners and investors;
 - 17 (6) A plan, to be implemented from 2011 to [~~2030~~,] 2045,
18 to transition the State to a clean energy economy; and
 - 19 (7) A plan, to be implemented from 2011 to [~~2030~~,] 2045,
20 to assist each county in transitioning to a clean
21 energy economy.



1 (b) It is the policy of the State to increase energy
2 security and self-sufficiency through the reduction and ultimate
3 elimination of Hawaii's dependence on imported fossil fuels for
4 electrical generation and ground transportation by 2045. Hawaii
5 clean energy initiative program activities authorized under
6 subsection (a) shall be geared towards helping the State to
7 achieve the following goals and targets:

8 (1) Electrical generation. Each electric utility company
9 that sells electricity for consumption in the State
10 shall establish a renewable portfolio standard
11 pursuant to section 269-92 as follows:

12 (A) Ten per cent of its net electricity sales by
13 December 31, 2010;

14 (B) Fifteen per cent of its net electricity sales by
15 December 31, 2015;

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

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

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



1 (F) One hundred per cent of its net electricity sales
2 by December 31, 2045; and

3 (2) Ground Transportation. Annual sales of diesel oil and
4 gasoline for use in ground transportation subject to
5 taxation pursuant to section 243-4 shall be:

6 (A) Less than four hundred million gallons by 2025;

7 (B) Less than three hundred million gallons by 2030;

8 (C) Less than two hundred million gallons by 2035;

9 (D) Less than one hundred million gallons by 2040;

10 and

11 (E) Less than one million gallons by 2045.

12 ~~[(b)]~~ (c) Prior to the initiation of any activities
13 authorized under subsection (a), the department of business,
14 economic development, and tourism shall develop a plan of action
15 with the intent of promoting effective prioritization and
16 focusing of efforts consistent with the State's energy programs
17 and objectives.

18 ~~[(e)]~~ (d) The department of business, economic development,
19 and tourism shall submit a report to the legislature no later
20 than twenty days prior to the convening of each regular session



1 on the status and progress of new and existing clean energy
2 initiatives. The report shall also include:

- 3 (1) The spending plan of the Hawaii clean energy
4 initiative program;
- 5 (2) All expenditures of energy security special fund
6 moneys; and
- 7 (3) The targeted markets of the expenditures, including
8 reasons for selecting those markets, the persons to be
9 served, specific objectives of the program, and
10 program expenditures, including measurable outcomes."

11 SECTION 3. Section 226-17, Hawaii Revised Statutes, is
12 amended by amending subsection (a) to read as follows:

13 "(a) Planning for the State's facility systems with regard
14 to transportation shall be directed towards the achievement of
15 the following objectives:

- 16 (1) An integrated multi-modal transportation system that
17 services statewide needs and promotes the efficient,
18 economical, safe, and convenient movement of people
19 and goods.



1 (2) A statewide transportation system that is consistent
2 with and will accommodate planned growth objectives
3 throughout the State.

4 (3) Increased energy security and self-sufficiency through
5 the reduction of imported fossil fuels for ground
6 transportation by 2045."

7 SECTION 4. Section 226-18, Hawaii Revised Statutes, is
8 amended by amending subsection (a) to read as follows:

9 "(a) Planning for the State's facility systems with regard
10 to energy shall be directed toward the achievement of the
11 following objectives, giving due consideration to all:

12 (1) Dependable, efficient, and economical statewide energy
13 systems capable of supporting the needs of the people;

14 (2) Increased energy security and self-sufficiency through
15 the reduction and ultimate elimination of Hawaii's
16 dependence on imported fossil fuels for electrical
17 generation and ground transportation[?] by 2045;

18 (3) Greater diversification of energy generation in the
19 face of threats to Hawaii's energy supplies and
20 systems;



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- 1 (4) Reduction, avoidance, or sequestration of greenhouse
2 gas emissions from energy supply and use; and
3 (5) Utility models that make the social and financial
4 interests of Hawaii's utility customers a priority."

5 SECTION 5. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 6. This Act shall take effect on July 1, 2016.

8

INTRODUCED BY:





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Report Title:

Transportation; Clean Energy Initiative; State Planning Act;
Fossil Fuels; Environment

Description:

Aims to reduce Hawaii's dependence on imported fossil fuels for electrical generation and ground transportation by 2045 and creates goals and targets in Hawaii's Clean Energy Initiative and State Planning Act.

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