
A BILL FOR AN ACT

RELATING TO MICROGRIDS.

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

1 SECTION 1. The legislature finds that the development of
2 renewable microgrids can aid Hawaii's transition to a clean
3 energy economy. In this context, a microgrid is a small energy
4 network, interconnected with an electric utility grid, or
5 utilizing an electric utility grid, which is powered by
6 renewable energy, and which may be islanded from the electric
7 utility grid if needed.

8 The legislature further finds that microgrids have the
9 potential to be a testing ground for greater integration of
10 renewable energy, distributed generation, storage, and demand
11 response technology. Microgrid demonstration projects will
12 enable the State to learn how to reduce costs, increase grid
13 reliability and resiliency, reduce pollution and greenhouse gas
14 emissions, reduce the cost of infrastructure, and increase the
15 efficiency of transmission and distribution.

16 The purpose of this Act is to designate and establish
17 requirements for a microgrid demonstration project at the



1 natural energy laboratory of Hawaii authority that can assist in
2 understanding, developing, and refining microgrid technologies
3 and policies in the State.

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

7 "§269- Microgrid demonstration project; natural energy
8 laboratory of Hawaii authority. (a) The property controlled by
9 the natural energy laboratory of Hawaii authority, established
10 pursuant to chapter 227D, is designated as a microgrid
11 demonstration project.

12 (b) The microgrid demonstration project designated by this
13 section:

14 (1) Shall be authorized by the public utilities
15 commission;

16 (2) May cross property boundaries, easements, public
17 thoroughfares, transportation rights-of-way, and
18 utility rights-of-way solely within the natural energy
19 laboratory of Hawaii authority property;

20 (3) May provide, sell, or transmit renewable energy to
21 tenants or other users of the natural energy



1 laboratory of Hawaii authority other than the person
2 who owns, controls, operates, or manages the natural
3 energy laboratory of Hawaii authority microgrid
4 demonstration project;

5 (4) May use portions of an electric public utility's
6 transmission or distribution lines to provide, sell,
7 or transmit electricity to participants in the natural
8 energy laboratory of Hawaii authority microgrid
9 demonstration project;

10 (5) Shall use electricity generation, located on the
11 natural energy laboratory of Hawaii authority
12 microgrid demonstration project, with a total
13 generating capacity of five megawatts or less;

14 (6) Shall use only renewable energy, as defined in section
15 269-91, to generate electricity, except in cases of
16 emergency; and

17 (7) May be islanded from the electric public utility grid
18 from time to time.

19 (c) Notwithstanding any other provisions in this chapter,
20 the natural energy laboratory of Hawaii authority microgrid
21 demonstration project shall be exempt from the requirements of



1 this chapter, except as may be needed to facilitate safe
2 interconnection of the natural energy laboratory of Hawaii
3 authority microgrid demonstration project to an electric public
4 utility grid. Any person who owns, controls, operates, manages,
5 or otherwise participates in the natural energy laboratory of
6 Hawaii authority microgrid demonstration project shall not be
7 considered a public utility for the purpose of participating in
8 the natural energy laboratory of Hawaii authority microgrid
9 demonstration project.

10 (d) The public utilities commission may take any steps the
11 commission deems necessary to enable and compel electric public
12 utilities to allow the development of the natural energy
13 laboratory of Hawaii authority microgrid demonstration project
14 by non-utilities. These steps may include issuing related
15 orders, amending or adopting related rules, working with
16 permitting agencies or other authorities to grant exemptions, or
17 other steps necessary to enable the development of the natural
18 energy laboratory of Hawaii authority microgrid demonstration
19 project.

20 (e) The natural energy laboratory of Hawaii authority
21 microgrid demonstration project shall be exempt from any



1 wheeling restrictions when the wheeling is conducted within the
2 designated boundaries of the project.

3 (f) Any power that is sold by the natural energy
4 laboratory of Hawaii authority microgrid demonstration project
5 shall be at a price equal to or less than the electric utility
6 rates established by the public utilities commission.

7 (g) No later than twenty days prior to the convening of
8 the regular session of 2018, the natural energy laboratory of
9 Hawaii authority microgrid demonstration project designated
10 pursuant to subsection (a) shall submit a report to the
11 legislature of its findings and recommendations on the natural
12 energy laboratory of Hawaii authority microgrid demonstration
13 project. At a minimum, the report shall contain information on:

14 (1) The fairness of the natural energy laboratory of
15 Hawaii authority microgrid demonstration project to
16 all customers given the increased options for
17 obtaining electrical power;

18 (2) Any safety issues when operating the integrated energy
19 district;



1 (3) Reliability of the overall electrical system in
2 relation to the natural energy laboratory of Hawaii
3 authority microgrid demonstration project; and
4 (4) Any cost shifting issues realized as a result of
5 electrical energy being provided by the natural energy
6 laboratory of Hawaii authority microgrid demonstration
7 project.

8 (h) For the purposes of this section, the "natural energy
9 laboratory of Hawaii authority microgrid demonstration project"
10 means a renewable energy generation, storage, or distribution
11 network solely located on property owned by the natural energy
12 laboratory of Hawaii authority."

13 SECTION 3. New statutory material is underscored.

14 SECTION 4. This Act shall take effect on January 28, 2081.



Report Title:

Renewable Energy; Microgrid Demonstration Projects

Description:

Authorizes the establishment of a NELHA microgrid demonstration project for the generation, storage, and distribution of renewable energy on property controlled by NELHA. (HB1248 HD2)

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

