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# A BILL FOR AN ACT

RELATING TO ELECTRICITY GENERATION.

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

1           SECTION 1. The legislature finds that there are  
2 approximately sixty-eight thousand rooftop solar photovoltaic  
3 electricity generating facilities installed within the State.  
4 These systems have reduced the State's reliance on fossil fuels,  
5 created jobs, established Hawaii as a leader in clean energy,  
6 and advanced the State's goal of generating one hundred per cent  
7 of its energy from renewable sources by the year 2045.

8           The legislature further finds that electric utilities have  
9 a goal of connecting a total of 165,000 rooftop photovoltaic  
10 systems in the State by 2030. Meeting this goal requires that  
11 the number of new interconnections per year increase from the  
12 number of interconnections completed in 2016. The number of  
13 rooftop photovoltaic systems installed in the State  
14 significantly declined in 2016 from the number installed in  
15 2015, which is directly related to changes in the tariffs  
16 available to customers deploying these systems, as promulgated  
17 by the public utilities commission. Reducing the cost of



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1 customer self-supply rooftop photovoltaic facilities by  
2 expediting interconnection will make these facilities more  
3 economically viable for electric utility company customers, and  
4 increase the number of new interconnections.

5 The purpose of this Act is to expedite the interconnection  
6 of certain photovoltaic facilities of up to fifty kilowatts  
7 designed for customer self-supply to reduce the administrative  
8 burden and costs to utilities and utility customers associated  
9 with these systems.

10 SECTION 2. Section 269-141, Hawaii Revised Statutes, is  
11 amended by adding a new definition to be appropriately inserted  
12 and to read as follows:

13 "Customer self-supply facility" means a generating  
14 facility, which may include an energy storage facility, that is  
15 designed to consume all of the energy produced by the generating  
16 facility onsite, with minimal exports to the electricity grid."

17 SECTION 3. Section 269-142, Hawaii Revised Statutes, is  
18 amended to read as follows:

19 "[+]§269-142[+] Reliability standards; interconnection  
20 requirements; adoption and development; force and effect. (a)  
21 The commission may adopt, by rule or order, reliability



1 standards and interconnection requirements. Reliability  
2 standards and interconnection requirements adopted by the  
3 commission shall apply to any electric utility and any user,  
4 owner, or operator of the Hawaii electric system. The  
5 commission shall not contract for the performance of the  
6 functions under this subsection to any other entity as provided  
7 under section 269-147.

8 (b) The commission may develop reliability standards and  
9 interconnection requirements as it determines necessary or upon  
10 recommendation from any entity, including an entity contracted  
11 by the commission to serve as the Hawaii electricity reliability  
12 administrator provided for under this part, for the continuing  
13 reliable design and operation of the Hawaii electric system.  
14 Any reliability standard or interconnection requirement  
15 developed by the commission shall be adopted by the commission  
16 in accordance with subsection (a) in order to be effective. The  
17 commission shall not contract for the performance of the  
18 functions under this subsection to any other entity as provided  
19 under section 269-147.

20 (c) The commission shall have jurisdiction over matters  
21 concerning interconnection requirements and interconnections



1 located in the State between electric utilities, any user,  
 2 owner, or operator of the Hawaii electric system, or any other  
 3 person, business, or entity connecting to the Hawaii electric  
 4 system or otherwise applying to connect generation or equipment  
 5 providing ancillary services to, or operate generation and  
 6 equipment providing ancillary services in parallel with the  
 7 Hawaii electric system under processes established in accordance  
 8 with section 269-145. Nothing in this subsection is intended to  
 9 give the commission general supervision authority over any user,  
 10 owner, or operator of the Hawaii electric system or any other  
 11 person, business, or entity that is not a public utility as  
 12 defined in section 269-1.

13 (d) Within one hundred twenty days after the effective  
 14 date of Act , Session Laws of Hawaii 2017, the commission  
 15 shall develop standards and requirements to expedite the  
 16 interconnection of certain customer self-supply facilities of up  
 17 to fifty kilowatts, including facilities with standard  
 18 configuration. The commission may consider basing eligibility  
 19 on the commission's existing rules for interconnection of  
 20 customer self-supply facilities. The commission shall allow a  
 21 customer who is interconnecting a customer self-supply facility



1 to select any rate schedule for which the customer would  
 2 otherwise qualify if the customer had not interconnected a  
 3 customer self-supply facility. A customer deploying a customer  
 4 self-supply facility shall not be treated as a unique or  
 5 separate customer class for ratemaking purposes."

6 SECTION 4. Statutory material to be repealed is bracketed  
 7 and stricken. New statutory material is underscored.

8 SECTION 5. This Act shall take effect upon its approval.  
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INTRODUCED BY:





JAN 21 2017



# H.B. NO. 792

**Report Title:**

Electricity Generation; Customer Self-Supply Facility

**Description:**

Makes the use of customer self-supply facilities economically viable by requiring the Public Utilities Commission to develop standards and requirements to expedite the interconnection of qualifying customer self-supply facilities and allowing qualifying customers to select an applicable rate schedule.

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

