

---

---

# A BILL FOR AN ACT

RELATING TO A COAL-FREE HAWAII.

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

1           SECTION 1. The legislature finds that the State has  
2 committed to a decisive and irreversible transition away from  
3 fossil fuels, and a swift transition to a clean energy economy  
4 powered by one hundred per cent renewable energy. This  
5 renewable energy transformation will help to stabilize and  
6 strengthen Hawaii's economy by reducing its dependency on  
7 imported fossil fuels, fostering innovation and clean energy job  
8 growth, helping protect Hawaii's environment by greatly reducing  
9 carbon emissions, and positioning Hawaii as a global leader on  
10 climate solutions.

11           Coal is currently the largest source of carbon dioxide  
12 emissions in the world. The United Nation's Intergovernmental  
13 Panel on Climate Change's 2018 "Special Report on 1.5 Degrees  
14 Celsius" found that limiting the Earth's warming to 1.5 degrees  
15 Celsius, believed to be a threshold to avoid devastating climate  
16 change by many scientists, would mean a complete phase-out of  
17 the use of coal for electricity generation globally.



1           Furthermore, coal-fired power plants are responsible for  
2 seventy per cent of the nation's mercury emissions. After being  
3 released into the air, mercury accumulates in soil and water,  
4 where it contaminates food consumed, especially fish. Mercury  
5 is especially threatening to pregnant women and young children.  
6 As many as one in six American women have enough mercury in  
7 their bodies to put a baby at risk. Mercury is one of the  
8 leading causes of preventable birth defects, including brain  
9 damage and cerebral palsy. Federal regulations to reduce  
10 mercury from coal power plants have been significantly weakened  
11 by the current administration.

12           While coal is currently used to generate electricity on the  
13 island of Oahu, the power purchase agreement between the coal  
14 plant and the electric utility is set to expire in 2022. The  
15 electric utility has publicly stated that it does not intend to  
16 extend the contract with the coal plant beyond 2022. The  
17 electric utility has stated that the large power plant, with a  
18 relatively inflexible power output, is ill-suited for a small  
19 island electricity grid that increasingly relies on renewable  
20 energy. Despite the stated intentions, nothing currently in



1 state law prohibits the continued use of coal for electricity  
2 generation into the future.

3       The legislature further finds that Hawaii has emerged as a  
4 leader on clean energy policy, adopting a number of bold, first-  
5 in-the-nation targets that have helped inspire other states to  
6 take similar action. Hawaii was the first state in the country  
7 to adopt a one hundred per cent renewable energy requirement for  
8 electricity by 2045 through the passage of Act 97, Session Laws  
9 of Hawaii 2015. California adopted a similar law in 2018.  
10 Hawaii has also pledged to achieve carbon neutrality by 2045  
11 through the passage of Act 15, Session Laws of Hawaii 2018,  
12 another first in the nation. Despite the clear threat that  
13 coal-powered electricity presents to health and the climate, no  
14 state has proscribed its use. The legislature further finds  
15 that coal power, as one of the dirtiest fossil fuels, has no  
16 role in Hawaii's clean energy future.

17       The purpose of this Act is to eliminate the use of coal in  
18 Hawaii for electricity production.

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



1        "§269-        Coal power purchase agreements; prohibited.  
2 Beginning after June 30, 2020, the public utilities commission  
3 shall not approve:

- 4        (1) Any power purchase agreement for a facility that  
5        relies entirely or partly on coal as a fuel source;  
6        (2) Any fuel supply agreement that will provide coal for  
7        the purposes of generating electricity; or  
8        (3) The construction or purchase of any facility intended  
9        to use coal as a fuel source by a utility company."

10       SECTION 3. Chapter 342B, Hawaii Revised Statutes, is  
11 amended by adding a new section to be appropriately designated  
12 and to read as follows:

13        "§342B-        Use of coal for electricity generation. The  
14 department may issue or renew a permit to an owner or operator  
15 of a covered source which will burn or consume coal to generate  
16 electricity; provided that as a condition of the permit, all  
17 coal burning shall cease on December 31, 2022. Beginning after  
18 December 31, 2022, the department shall not issue or renew any  
19 permit to an owner or operator of a covered source that will  
20 burn or consume coal to generate electricity."



1 SECTION 4. Section 243-3.5, Hawaii Revised Statutes, is  
2 amended by amending subsection (c) to read as follows:

3 "(c) The tax imposed under subsection (b) shall not apply  
4 to coal used to fulfill a signed power purchase agreement  
5 between an independent power producer and an electric utility  
6 that is in effect as of June 30, 2015. An independent power  
7 producer shall not be permitted to pass the tax imposed under  
8 subsection (b) on to an electric utility. [~~In which case, the  
9 electric utility may recover the cost of the tax through an  
10 appropriate surcharge to the end user that is approved by the  
11 public utilities commission.~~]"

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

14 SECTION 6. This Act shall take effect on July 1, 2050.



**Report Title:**

Electricity Generation; Coal; Prohibition; Environmental Response, Energy, and Food Security Tax

**Description:**

Beginning 6/30/2020, prohibits the approval of certain agreements, construction, or purchase with regard to using coal for electric generation. Prohibits the issuance or renewal of covered source air permits for coal-burning electricity generation facilities after 12/31/2022. Prohibits an independent power producer from passing on the environmental response, energy, and food security tax onto a purchasing utility company. Effective 7/1/2050. (HD2)

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

