
A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY.

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

1 SECTION 1. The legislature finds that Act 97, Session Laws
2 of Hawaii 2015, amended section 269-92, Hawaii Revised Statutes,
3 to establish a one hundred per cent renewable portfolio standard
4 by December 31, 2045, with the intent to transition the State
5 away from imported fuels and toward renewable local resources
6 that provide a secure source of affordable energy. Currently,
7 the calculation of the renewable portfolio standard, based on
8 the definition of renewable portfolio standard enacted in 2001
9 and amended in 2006, is the percentage of electrical energy
10 sales that is represented by renewable electrical energy. The
11 legislature finds that the calculation of the renewable
12 portfolio standard based on electrical energy sales (renewable
13 electrical energy sales divided by total electrical sales),
14 rather than on electrical energy generation (renewable
15 electrical energy generation divided by total electrical energy
16 generation), overestimates the amount of renewable energy



1 serving Hawaii's electric utility customers. There are two
2 fundamental issues that lead to the current discrepancy:

3 (1) The current renewable portfolio standard calculation
4 inflates the reported percentage of renewable energy
5 by excluding customer-sited, grid-connected energy
6 generation in the denominator, which becomes material
7 with higher levels of customer-sited, grid-connected
8 renewable energy generation and higher renewable
9 portfolio standard percentages; and

10 (2) The current electrical energy sales number does not
11 include energy losses that occur between the points of
12 electrical energy generation and the customer meter,
13 where sales are measured.

14 Failure to address these issues creates an incorrect measure of
15 the State's progress toward its statutory goal of one hundred
16 per cent renewable energy.

17 The purpose of this Act is to amend the definition of
18 "renewable portfolio standard" to be a percentage of electrical
19 energy generation that is represented by renewable electrical
20 energy.



1 SECTION 2. Section 269-91, Hawaii Revised Statutes, is
2 amended by amending the definition of "renewable portfolio
3 standard" to read as follows:

4 "Renewable portfolio standard" means the percentage of
5 electrical energy [~~sales~~] generation that is represented by
6 renewable electrical energy."

7 SECTION 3. Section 269-92, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "§269-92 Renewable portfolio standards. (a) Each
10 electric utility company that sells electricity for consumption
11 in the State shall establish a renewable portfolio standard of:

- 12 (1) Ten per cent of its net electricity sales by
13 December 31, 2010;
- 14 (2) Fifteen per cent of its net electricity sales by
15 December 31, 2015;
- 16 (3) Thirty per cent of its net electricity sales by
17 December 31, 2020;
- 18 (4) Forty per cent [~~of its net electricity sales~~] by
19 December 31, 2030;
- 20 (5) Seventy per cent [~~of its net electricity sales~~] by
21 December 31, 2040; and



1 (6) One hundred per cent [~~of its net electricity sales~~] by
2 December 31, 2045.

3 (b) The public utilities commission may establish
4 standards for each electric utility company that prescribe
5 [~~what~~] the portion of the renewable portfolio standards that
6 shall be met by specific types of renewable energy resources;
7 provided that:

8 (1) Prior to January 1, 2015, at least fifty per cent of
9 the renewable portfolio standards shall be met by
10 electrical energy generated using renewable energy as
11 the source, and after December 31, 2014, the entire
12 renewable portfolio standard shall be met by
13 electrical generation from renewable energy sources;

14 (2) Beginning January 1, 2015, electrical energy savings
15 shall not count toward renewable energy portfolio
16 standards;

17 (3) Where electrical energy is generated or displaced by a
18 combination of renewable and nonrenewable means, the
19 proportion attributable to the renewable means shall
20 be credited as renewable energy; and



1 (4) Where fossil and renewable fuels are co-fired in the
 2 same generating unit, the unit shall be considered to
 3 generate renewable electrical energy (electricity) in
 4 direct proportion to the percentage of the total heat
 5 input value represented by the heat input value of the
 6 renewable fuels.

7 (c) If the public utilities commission determines that an
 8 electric utility company failed to meet the renewable portfolio
 9 standard, after a hearing in accordance with chapter 91, the
 10 utility shall be subject to penalties to be established by the
 11 public utilities commission; provided that if the commission
 12 determines that the electric utility company is unable to meet
 13 the renewable portfolio standards [~~due to~~] because of reasons
 14 beyond the reasonable control of an electric utility, as set
 15 forth in subsection (d), the commission, in its discretion, may
 16 waive in whole or in part any otherwise applicable penalties.

17 (d) Events or circumstances that are [~~outside of~~] beyond
 18 an electric utility company's reasonable control may include, to
 19 the extent the event or circumstance could not be reasonably
 20 foreseen and ameliorated:

21 (1) Weather-related damage;



- 1 (2) Natural disasters;
- 2 (3) Mechanical or resource failure;
- 3 (4) Failure of renewable electrical energy producers to
- 4 meet contractual obligations to the electric utility
- 5 company;
- 6 (5) Labor strikes or lockouts;
- 7 (6) Actions of governmental authorities that adversely
- 8 affect the generation, transmission, or distribution
- 9 of renewable electrical energy under contract to an
- 10 electric utility company;
- 11 (7) Inability to acquire sufficient renewable electrical
- 12 energy due to lapsing of tax credits related to
- 13 renewable energy development;
- 14 (8) Inability to obtain permits or land use approvals for
- 15 renewable electrical energy projects;
- 16 (9) Inability to acquire sufficient cost-effective
- 17 renewable electrical energy;
- 18 (10) Inability to acquire sufficient renewable electrical
- 19 energy to meet the renewable portfolio standard goals
- 20 beyond 2030 in a manner that is beneficial to Hawaii's



1 economy in relation to comparable fossil fuel
2 resources;
3 (11) Substantial limitations, restrictions, or prohibitions
4 on utility renewable electrical energy projects; and
5 (12) Other events and circumstances of a similar nature[-]
6 that could not be reasonably foreseen and
7 ameliorated."

8 SECTION 4. This Act does not affect rights and duties that
9 matured, penalties that were incurred, and proceedings that were
10 begun before its effective date.

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

13 SECTION 6. This Act shall take effect on July 1, 2100.



Report Title:

Renewable Portfolio Standard; Electricity

Description:

Amends the definition of renewable portfolio standard to be a percentage of electrical energy generation, rather than sales. Effective 7/1/2100. (SD1)

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