
A BILL FOR AN ACT

RELATING TO MICROGRID CERTIFICATES OF PUBLIC CONVENIENCE AND
NECESSITY.

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

1 SECTION 1. Act 200, Session Laws of Hawaii 2018, requires
2 the public utilities commission to "open a proceeding to
3 establish a microgrid services tariff." Act 200 defines
4 "microgrid project" and "microgrid services tariff."

5 By contrast, the national debate about what is and is not a
6 microgrid is dynamic and changing. Boundaries are being
7 blurred. Microgrids may be anything that can be islanded or
8 that can maintain power when the utility grid goes down. As a
9 result, a microgrid can range from a single house with solar
10 panels, to a military base with diesel generators, or a section
11 of the utility grid. A microgrid can be located on either side
12 or both sides of the meter; it can be owned by an individual, an
13 association, a third party, or a utility; it can operate as the
14 primary or backup power source; its dispatch can be controlled
15 by the microgrid operator or the utility; and it can be



1 autonomous, intermittently interconnected, or permanently
2 connected to the utility grid.

3 Section 269-7.5, Hawaii Revised Statutes, states, "No
4 public utility, as defined in section 269-1, shall commence its
5 business without first having obtained from the commission a
6 certificate of public convenience and necessity." Not all
7 microgrids are regulated by the public utilities commission, but
8 all non-regulated microgrids could become regulated by
9 interconnecting to a utility grid. Understanding both regulated
10 and unregulated microgrids can lead to better decision-making.
11 Regulators, utilities, third parties, investors, and communities
12 want varying degrees of certainty.

13 Accordingly, the purpose of this Act is to allow microgrid
14 owners and operators to file an application for a microgrid
15 certificate of public convenience and necessity to provide
16 greater certainty in the regulation of microgrid projects in the
17 State.

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



1 "§269- Microgrid certificates of public convenience and
2 necessity. (a) Microgrid owners and operators may file an
3 application with the public utilities commission for a microgrid
4 certificate of public convenience and necessity.

5 (b) The public utilities commission shall adopt rules
6 pursuant to chapter 91 to establish the minimum standards for
7 microgrid certificates of public convenience and necessity
8 provided for in this section and as otherwise required by law."

9 SECTION 3. New statutory material is underscored.

10 SECTION 4. This Act shall take effect upon its approval.

11

INTRODUCED BY:

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JAN 17 2019



H.B. NO. 72

Report Title:

Microgrids; Certificates of Public Convenience and Necessity

Description:

Allows microgrid owners and operators to file for a certificate of public convenience and necessity.

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